TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, [redacted] 196

No. [redacted] 47

H. REES PAPER COMPANY, PETITIONER,

vs.

UNITED STATES.

ON [redacted]

[redacted]

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1960

No. 704

ST. REGIS PAPER COMPANY, PETITIONER,

vs.

UNITED STATES.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

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[fol. A] [File endorsement omitted]

[fol. 2]

IN UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF NEW YORK

Civil Action No. 150-271

UNITED STATES OF AMERICA, Plaintiff,

v.

ST. REGIS PAPER COMPANY, Defendant.

COMPLAINT—Filed September 15, 1959

Plaintiff, the United States of America, by the United States Attorney for the Southern District of New York, acting under the direction of the Attorney General of the United States, upon the request of the Federal Trade Commission (hereinafter referred to as the "Commission"), brings this action (1) for the enforcement against defendant of the several orders of the Commission described herein, and attached as exhibits hereto, which orders require defendant and certain other corporations to file special reports with the Commission, and (2) for the recovery of forfeitures because of defendant's failure to comply with the two orders requiring it to file special reports.

Count One

1. The cause of action alleged in this Count arises under Section 9 of the Federal Trade Commission Act (15 U. S. C. 49), which vests the District Courts of the United States with jurisdiction to enter orders commanding any person or corporation to comply with any order of the Commission made in pursuance of the Act.

2. Defendant, St. Regis Paper Company, is a corporation organized and existing under the laws of the State of New York, with its principal office and place of business

within this District at 150 East Forty-second Street, New York, New York.

[fol. 3] 3. During all times mentioned herein, defendant has been engaged in the business of manufacturing various types of paper and paper products, and of selling and distributing such paper and paper products in interstate commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act (15 U. S. C. 44).

4. The Commission, on January 6, 1959, pursuant to subsections (a) and (b) of Section 6 of the Federal Trade Commission Act (15 U. S. C. 46 (a)(b)), adopted a resolution directing an investigation of the organization, business, conduct, practices, and management of St. Regis Paper Company and of the corporations engaged in interstate commerce whose stock or assets, or stock and assets, had been acquired by St. Regis Paper Company on or after January 1, 1954, and the relation of St. Regis Paper Company and the acquired corporations to each other and to other corporations. A true and complete copy of the said resolution is attached hereto as Exhibit A, and is made a part hereof.

5. The Commission, on January 9, 1959, issued six orders pursuant to the said resolution of January 6, 1959, one of which was directed to each of the six corporations named below, requiring the corporation addressed in each instance to file a special report, containing specified data and documents, with the Commission within thirty days after service of the order. Each of the orders dated January 9, 1959, together with a copy of the said resolution adopted January 6, 1959, was served by registered mail upon the corporation to which the order was directed. The corporations to which the said orders were directed, [fol. 4] and the date of service of the order and the resolution in each instance, are as follows:

St. Regis Paper Company	—January 12, 1959;
Growers Container Corporation	—January 14, 1959;
F. J. Kress Box Company, Inc.	—January 12, 1959;
Pacific Waxed Paper Company	—January 13, 1959;
Pollock Paper Corporation	—January 12, 1959;
Rhinelander Paper Company	—January 12, 1959.

True and complete copies of the said orders requiring reports are attached hereto as Exhibits B through G, respectively, and are made parts hereof.

6. The Commission, on March 5, 1959, issued, and caused to be served by registered mail on defendant and on each of the other corporations named in paragraph 5 hereof, an order suspending the directions contained in its order of January 9, 1959, pending the Commission's decision on defendant's motion to vacate the Commission's said resolution of January 6, 1959, and its said orders of January 9, 1959. The Commission, on May 6, 1959, denied the said motion and ordered that the reports, originally due within 30 days after service of the orders of January 9, 1959, be filed on or before May 28, 1959. The Commission's said order of May 6, 1959, was served by registered mail on defendant and on each of the other corporations named in paragraph 5 hereof on the following dates:

St. Regis Paper Company	— May 7, 1959;
Growers Container Corporation	— May 11, 1959;
F. J. Kress Box Company, Inc.	— May 7, 1959;
Pacific Waxed Paper Company	— May 11, 1959;
Pollock Paper Corporation	— May 11, 1959;
Rhinelander Paper Company	— May 11, 1959.

[fol. 5] A true and complete copy of the Commission's said order of May 6, 1959, is attached hereto as Exhibit H, and is made a part hereof.

7. Defendant and each of the other corporations to which the said orders of January 9, 1959, were directed have failed to file the required special reports, either on or before May 28, 1959, or at any time thereafter.

8. The Commission, on June 4, 1959, adopted a resolution broadening the investigation directed by its resolution dated January 6, 1959, to include investigation of the acquisition or proposed acquisition by St. Regis Paper Company of the stock or assets, or stock and assets, of two additional corporations engaged in interstate com-

merce, Northwest Door Company and Cupples-Hesse Corporation, and to include investigation of the organization, business, conduct, practices, and management of Northwest Door Company and Cupples-Hesse Corporation, and the relation of St. Regis Paper Company, Northwest Door Company and Cupples-Hesse Corporation to each other and to other corporations. A true and complete copy of the resolution adopted June 4, 1959, is attached hereto as Exhibit I, and is made a part hereof.

9. The Commission, on June 8, 1959, issued three orders pursuant to the said resolution of June 4, 1959, which orders were respectively directed to St. Regis Paper Company, Cupples-Hesse Corporation, and Northwest Door Company, and each of which orders required the corporation addressed to file a special report, containing specified data and documents, with the Commission within 30 days after service of the order. The respective orders dated June 8, 1959, each with a copy of the said resolution adopted [fol. 6] June 4, 1959, were served by registered mail upon the corporations to which the orders were directed on the following dates:

St. Regis Paper Company	—June 9, 1959;
Cupples-Hesse Corporation	—June 10, 1959;
Northwest Door Company	—June 12, 1959.

True and complete copies of the said orders requiring reports are attached hereto as Exhibits J through L, respectively, and are made parts hereof.

10. Defendant and each of the other corporations to which the said orders of June 8, 1959, were directed have failed to file the required special reports, either within thirty days of the service of the orders or at any time thereafter.

11. Defendant has notice and full knowledge of the terms of the Commission's said orders requiring special reports from Growers Container Corporation, F. J. Kress Box Company, Inc., Pacific Waxed Paper Company, Pol-

lock Paper Corporation, Rhinelander Paper Company, Cupples-Hesse Corporation, and Northwest Door Company. On information and belief, it is averred that each of these corporations has been dissolved and merged into defendant, or is owned, controlled and dominated by defendant and is in the process of being dissolved and merged into defendant. As a consequence thereof, defendant has possession or control of the books, papers and records from which the reports required from each of the said corporations can be prepared, and is obligated to file with the Commission all said reports.

[fol. 7]

Count Two

12. The cause of action alleged in this Count arises under Section 10 of the Federal Trade Commission Act (15 U. S. C. 50), which vests any District Court of the United States in which a corporation has its principal office or in which it does business with jurisdiction of suits by the United States for the recovery of forfeitures if the corporation shall fail to file any special report required by the Act within the time fixed by the Commission for filing the same, and such failure shall continue for thirty days after notice of such default.

13. Plaintiff repeats and realleges each and every allegation contained in paragraphs 2 through 10 of this complaint insofar as such allegations relate to St. Regis Paper Company, defendant herein.

14. The Commission, on June 18, 1959, pursuant to Section 10 of the Federal Trade Commission Act (15 U. S. C. 50), issued its notice of default to defendant because of defendant's failure to file the special report required from it by the Commission's order dated January 9, 1959. The said notice of default was served upon defendant by registered mail on June 20, 1959. A true and complete copy of the said notice of default dated June 18, 1959, is attached hereto as Exhibit M and is made a part hereof.

15. The failure of defendant to file the report required by the Commission's order dated January 9, 1959, has continued for thirty days after service of the notice of such default, and is still continuing.

[fol. 8] 16. The Commission, on July 22, 1959, pursuant to Section 10 of the Federal Trade Commission Act (15 U. S. C. 50), issued its notice of default to defendant because of defendant's failure to file the special report required from it by the Commission's order dated June 8, 1959. The said notice of default was served upon defendant by registered mail on July 24, 1959. A true and complete copy of the said notice of default dated July 22, 1959, is attached hereto as Exhibit N, and is made a part hereof.

17. The failure of defendant to file the report required by the Commission's order dated June 8, 1959, has continued for thirty days after service of the notice of such default, and is still continuing.

Wherefore, plaintiff demands:

1. That the Court issue a mandatory injunction commanding defendant and its agents, attorneys, employees and assigns to file with the Federal Trade Commission all the special reports required by the Commission's several orders dated January 9, 1959, and June 8, 1959.

2. Judgment against defendant in the amount of $100 a day for each and every day from and after July 20, 1959, that defendant has failed to file with the Commission the report required from defendant by the Commission's order of January 9, 1959, and judgment against defendant in the amount of $100 a day for each and every day from and after August 23, 1959, that defendant has failed to file with the Commission the report required [fol. 9] from defendant by the Commission's order of June 8, 1959.

3. That the defendant pay the costs and disbursements of this action.

4. That plaintiff be given such other and further relief as the Court may deem just and proper.

S. Hazard Gillespie, Jr., United States Attorney for the Southern District of New York, Attorney for Plaintiff, Office and Post Office Address: United States Courthouse, Foley Square, New York 7, New York, By William F. Suglia, Assistant United States Attorney.

Alan B. Hobbes, Assistant General Counsel, J. B. Truly, Attorney, Federal Trade Commission, Washington, D. C.

[fol. 10]

EXHIBIT A, ANNEXED TO COMPLAINT

UNITED STATES OF AMERICA

BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS:

JOHN W. GWYNNE, Chairman
ROBERT T. SECREST
SIGURD ANDERSON
WILLIAM C. KERN
EDWARD T. TAIT

File No. 5510696

In the Matter of

ST. REGIS PAPER COMPANY

RESOLUTION DIRECTING INVESTIGATION OF THE ACQUISITION BY ST. REGIS PAPER COMPANY OF THE STOCK OR ASSETS, OR BOTH THE STOCK AND ASSETS, OF OTHER CORPORATIONS

WHEREAS, the Commission has information to the effect that St. Regis Paper Company, a corporation engaged in interstate commerce and subject to the jurisdiction of the

Commission, has acquired, since January 1, 1954, the stock or assets, or both the stock and assets, of other corporations engaged in interstate commerce and subject to the jurisdiction of the Commission; and

WHEREAS, the said acquisitions may be in violation of Section 7 of the Clayton Act (15 U. S. C., Sec. 18), a statute administered by the Commission; and

[fol. 11] WHEREAS, the Commission believes that it is in the public interest to investigate the said acquisitions by St. Regis Paper Company to determine their combined effect, and the effect of any one or more of said acquisitions, upon competition; and

WHEREAS, the Commission has the authority under subsections (a) and (b) of Section 6 of the Federal Trade Commission Act (15 U. S. C., Sec. 46(a) (b)) to investigate corporations engaged in interstate commerce and their practices to determine whether the laws administered by the Commission may have been violated;

NOW, THEREFORE, BE IT RESOLVED that the Commission, in the exercise of the powers vested in it by law, and pursuant to its published procedures and rules of practice (16 CFR, 1957 Supp., 1.1 et seq.), and with the aid of any and all compulsory processes available to it, do forthwith proceed to investigate, for the reasons and purposes stated herein, the organization, business, conduct, practices, and management of St. Regis Paper Company and of the corporations whose stock or assets, or both stock and assets, have been acquired by St. Regis Paper Company on or after January 1, 1954, and the relation of St. Regis Paper Company and the acquired corporations to each other and to other corporations.

By the Commission.

(Sgd.) ROBERT M. PARRISH,
Secretary.

[SEAL]

Dated: January 6, 1959.

[fol. 12]

EXHIBIT B, ANNEXED TO COMPLAINT

Jan. 9, 1959

St. Regis Paper Company,
150 East 42nd Street,
New York 17, New York.

ORDER REQUIRING FILING OF SPECIAL REPORT

Re: File No. 5510696

Gentlemen:

Pursuant to a resolution of the Federal Trade Commission dated January 6, 1959, and entitled "Resolution Directing Investigation of the Acquisition by St. Regis Paper Company of the Stock or Assets, or Both the Stock and Assets, of Other Corporations," a copy of which is enclosed, you are ordered to submit a special report to the Commission within thirty days, containing the information and documents specified in the following questions.

In your answer please restate each question with which the corresponding answer is identified. If any question cannot be answered fully, give such information as is available to you and explain wherein and why your answer is incomplete.

Wherever information pertaining to an acquired company is requested for a period subsequent to the merger of that company into your company or a subsidiary of your company, the specified information is to be provided for the plants operated by the acquired companies at the time of their acquisition, in whatever form the plants existed during the period for which the information is requested.

[fol. 13] 1. Submit photo copies or certified true copies of the following materials:

(a) Contracts, options and agreements of your company or a subsidiary of your company with Growers Con-

tainer Corporation or with stockholders of Growers Container Corporation, relating to its acquisition.

(b) Contracts, options and agreements of your company or a subsidiary of your company with F. J. Kress Box Company or with stockholders of F. J. Kress Box Company relating to its acquisition.

(c) Correspondence, internal office memoranda, and special reports prepared by or for your company or a subsidiary of your company relating to the acquisition of either Growers Container Corporation or Kress Box Company. You may omit materials relating solely to contracts and agreements with labor unions, and items of correspondence devoted exclusively to appointments, acknowledgment of the receipt of materials, or expressions of appreciation for courtesies, provided such items contain no annotations relevant to the negotiations between the company subsequently acquired, its stockholders, and St. Regis.

(d) The annual report of your company for 1957 and of each prospectus issued since January 1, 1958.

(e) Copies of schedules submitted by J. Neils Lumber Company and St. Paul and Tacoma Lumber Co. for the 1954 Census of Manufacture.

(f) Schedules covering the period January 1, 1957, to the date of this order which were submitted by (1) your company, (2) Superior Paper Products Co., (3) General [fol. 14] Container Corporation, (4) Ajax Box Company, (5) Cambridge Corrugated Box Co., (6) Gummed Products Co., (7) J. Neils Lumber Co., and (8) St. Paul and Tacoma Lumber Co., to the Bureau of the Census in conjunction with (i) the Facts for Industry Program, and (ii) the Annual Survey of Manufactures.

(g) Schedules covering the period January 1, 1954, to the date of this order which were submitted by (1) your company, (2) Superior Paper Products Co., (3) General Container Corporation, (4) Ajax Box Company, (5) Cambridge Corrugated Box Co., (6) Gummed Products Co., (7)

J. Neils Lumber Co., and (8) St. Paul and Tacoma Lumber Co., to any association or to any individual, or firm collecting data on sales, orders, deliveries and/or inventories of similar products from several manufacturers and preparing reports thereon, and the name and address of each such trade association, individual or firm.

(h) All statistical summaries or reports prepared by a trade association, individual or firm and based on the type of data referred to in 1(g).

(i) Correspondence amending or clarifying any of the schedules or reports specified under (e), (f), (g) and (h).

With reference to (f), (g) and (h), what the Commission requires is annual totals for each of the years specified, plus schedules and reports for the period subsequent to the close of the last statistical year. Where certain schedules and reports contain annual totals for all the categories of information, copies of the interim reports are unnecessary.

2. (a) Identify the plants which during 1954 received the 2524 tons of interplant transfers of gumming stock re- [fol. 15] ported to the Bureau of the Census on schedules for the Jacksonville and East Pepperell mills.

(b) State what end products were manufactured from this gumming stock.

(c) Report the value of shipments or the net sales of each of the following products during 1955 by plants of your company other than the plants of Gummed Products Company:

(1) gummed sealing tape;

(2) gummed reinforced box tape;

(3) flat gummed paper.

(d) If item (1) above exceeded $1 million, report (1) corresponding data for 1956 and 1957; (2) the production or the shipments (in tons) of gummed sealing tape in 1955 and 1956 (specifying which it is); (3) submit copies of catalogs or other printed materials describing this product

which were furnished customers or prospective customers during 1955; (4) furnish the names and addresses of the ten largest customers of these plants for gummed sealing tape in each year 1955, 1956 and 1957; and for each of these customers report the dollar value of gummed sealing tape purchased or received in shipment from these plants.

(e) If item (2) or item (3) specified in 2(c) exceeded $500,000, report for that type of product the information specified in question 2(d).

[fol. 16] 3. For Superior Paper Products Co. (Inc.) supply the information specified below:

(a) List the names and addresses of each supplier from whom Superior during 1953 made more than 5% of its purchases of (1) linerboard, (2) corrugating material, (3) container chipboard, (4) folding boxboard stock, (5) special foodboard, (6) gummed reinforced box tape, (7) any other type of paper or paperboard of which the company's purchases that year exceeded $500,000.

(b) Furnish the same information for 1957.

(c) For each type of material listed in (a) give the total dollar value of Superior's purchases in 1953 and the value of its purchases from each supplier listed in your answer to that question.

(d) For each type of material listed in your answer to (b) give the total dollar value of Superior's purchases in 1957, and the value of its purchases from each of the suppliers listed in your answer to question (b).

(e) For each type of material listed in (a) give the proportion of Superior's total requirements during 1953 (1) produced and supplied by Superior itself, (2) obtained from St. Regis or subsidiaries of St. Regis, including R-W Paper Company, and (3) purchased from other suppliers.

(f) For each type of material listed in your answer to (b), give the corresponding information for 1957.

(g) Report the total sales or the total value of shipments of Superior in 1953 and the company's sales or the value of its shipments of each product or product line.

[fol. 17] (h) For each product or product line listed in your answer to questions (g) (1) identify the area to which Superior normally made shipments in 1953; (2) give the names and addresses of Superior's ten largest customers in 1953; and (3) give the value of its sales during that year or the value of its shipments of the particular product or product line to each of these customers, and to St. Regis and St. Regis' subsidiaries. You may omit product lines comprising less than 10% of Superior's total sales provided the omitted lines do not aggregate more than 15% of Superior's total sales.

(i) Report the information specified in (g) and (h) for the year 1957.

(j) Describe any changes which have been made in the character and scope of Superior's operations since St. Regis acquired control of the company.

(k) Briefly describe any major improvements in the productive facilities of Superior since St. Regis acquired control of the company, and indicate the extent to which the company's productive capacity has been enlarged, or has been altered to permit the manufacture of different products.

5. For General Container Corporation, supply the information specified below:

(a) List the names and addresses of each supplier from whom General during 1954 made more than 5% of its purchases of (1) linerboard, (2) corrugating material, (3) container chipboard, (4) folding boxboard stock, (5) special foodboard, (6) gummed reinforced box tape, (7) any other type of paper or paperboard of which the company's purchases that year exceeded $500,000.

[fol. 18] (b) Furnish the same information for 1957.

(c) For each type of material listed in (a) give the total dollar value of General's purchases in 1954 and the

value of its purchases from each supplier listed in your answer to that question.

(d) For each type of material listed in your answer to (b) give the total dollar value of General's purchases in 1957, and the value of its purchases from each of the suppliers listed in your answer to question (b).

(e) For each type of material listed in (a) give the proportion of General's total requirements during 1954 (1) produced and supplied by General itself, (2) obtained from St. Regis or subsidiaries of St. Regis, including R-W Paper Company, and (3) purchased from other suppliers.

(f) For each type of material listed in your answer to (b), give the corresponding information for 1957.

(g) Report the total sales or the total value of shipments of General in 1954 and the company's sales, or the value of its shipments of each product or product line.

(h) For each product or product line listed in your answer to questions (g) (1) identify the area to which General normally made shipments in 1954, (2) give the names and addresses of General's ten largest customers in 1954, (3) and give the value of its sales during that year or the value of its shipments of the particular product or product line to each of these customers and to St. Regis and St. Regis' subsidiaries. You may omit product lines comprising less than 10% of General's total sales provided the omitted lines do not aggregate more than 15% of General's total sales.

[fol. 19] (i) Report the information specified in (g) and (h) for the year 1957.

(j) Describe any changes which have been made in the character and scope of General's operations since St. Regis acquired control of the company.

(k) Briefly describe any major improvements in the productive facilities of General since St. Regis acquired control of the company, and indicate the extent to which the company's productive capacity has been enlarged, or

has been altered to permit the manufacture of different products.

6. For Ajax Box Company supply the information specified below:

(a) List the names and addresses of each supplier from whom Ajax during 1955 made more than 5% of its purchases of (1) linerboard, (2) corrugating material, (3) container chipboard, (4) folding boxboard stock, (5) special foodboard, (6) gummed reinforced box tape, (7) any other type of paper or paperboard of which the company's purchases that year exceeded $500,000.

(b) Furnish the same information for 1957.

(c) For each type of material listed in (a) give the total dollar value of Ajax's purchases in 1955 and the value of its purchases from each supplier listed in your answer to that question.

(d) For each type of material listed in your answer to (b) give the total dollar value of Ajax's purchases in 1957, and the value of its purchases from each of the suppliers listed in your answer to question (b).

[fol. 20] (e) For each type of material listed in (a) give the proportion of Ajax's total requirements during 1955 (1) produced and supplied by Ajax itself, (2) obtained from St. Regis or subsidiaries of St. Regis; including R-W Paper Company, and (3) purchased from other suppliers.

(f) For each type of material listed in your answer to (b) give the corresponding information for 1957.

(g) Report the total sales or the total value of shipments of Ajax in 1955 and the company's sales, or the value of its shipments, of each product or product line.

(h) For each product or product line listed in your answer to questions (g), (1) identify the area to which Ajax normally made shipments in 1955, (2) give the names and addresses of Ajax's ten largest customers in 1955, (3) and give the value of its sales during that year or the value of its shipments of the particular product or

product line to each of these customers and to St. Regis and St. Regis' subsidiaries. You may omit product lines comprising less than 10% of Ajax's total sales provided the omitted lines do not aggregate more than 15% of Ajax's total sales.

(i) Report the information specified in (g) and (h) for the year 1957.

(j) Describe any changes which have been made in the character and scope of Ajax's operations since St. Regis acquired control of the company.

(k) Briefly describe any major improvements in the productive facilities of Ajax since St. Regis acquired control of the company, and indicate the extent to which the company's productive capacity has been enlarged, or [fol. 21] has been altered to permit the manufacture of different products.

7. For Cambridge Corrugated Box Company, supply the information and documents specified in question 6 with respect to Ajax Box Company.

8. For Gummed Products Company supply the information specified below:

(a) List the names and addresses of each supplier from whom Gummed Products during 1955 made more than 5% of its purchases of (1) unbleached kraft gumming stock, and (2) gumming stock other than unbleached kraft, (3) any other type of paper or paperboard of which the company's purchases that year exceeded $500,000.

(b) Furnish the same information for 1957.

(c) through (f). For each type of material listed in your answers to (a) and (b), supply the information for 1955 and 1957, respectively, specified in question 6(c) through (f) with respect to another company.

(g) Report the total sales or the total volume of shipments in 1955 of (1) gummed kraft sealing tape, (2) gummed reinforced box tape, (3) flat gummed printing

papers and any other products or product lines manufactured by Gummed Products.

(h) For each product or product line listed in your answer to question (i), (1) identify the area in which Gummed Products normally made shipments in 1955; (2) give the names and addresses of Gummed Products' [fol. 22] ten largest customers in 1955 and its 1955 sales, or the value of its shipments of the particular product or product line to each of these customers and to St. Regis and St. Regis' subsidiaries. You may omit any products or product lines comprising less than 10% of the company's total sales, provided the omitted lines do not aggregate more than 15% of Gummed Products' total sales.

(i) Report the information specified in (g) and (h) for the year 1957.

(j) Describe any changes which have been made in the character and scope of Gummed Products' operations since St. Regis acquired control of the company.

(k) Briefly describe any major improvements in the productive facilities of Gummed Products since St. Regis acquired control of the company, and indicate the extent to which the company's productive capacity has been enlarged, or has been altered to permit the manufacture of different products.

9. For J. Neils Lumber Company supply the information requested below:

(a) Furnish a list of plants, their location, their principal product lines and rated capacities for each product line.

(b) Furnish the names and addresses of the twenty largest customers and the dollar volume of sales to each for the calendar years 1956 and 1957.

(c) Furnish complete details of all sales or transfers of products to St. Regis, its divisions or its subsidiaries in the calendar years 1956 and 1957.

[fol. 23] (d) Describe the method of distribution of company products for the years 1956 and 1957 and note any changes made in such methods since January, 1957.

(e) For commercial forest lands owned or controlled (under lease or cutting rights) by Neils as of January 1, 1957, report:

(1) The location and acreage by county and state.

(2) The location in relation to commercial forest lands owned and controlled by St. Regis or St. Paul and Tacoma Lumber Company.

(3) The net volume of live saw timber on such commercial forest lands in board feet distributed by state for:

Douglas Fir
Ponderosa Pine
Hemlock
Lodge Pole Pine
Spruce
Other species.

(f) Furnish complete details on the production and sale of pulp wood, chips, or sawmill waste to pulp or paper mills for the years 1956 and 1957.

10. (a) through (d) and (f). For St. Paul and Tacoma Lumber Company supply the information specified by the corresponding parts of question 9 with respect to J. Neils Lumber Company.

(e) For commercial forest lands owned or controlled [fol. 24] (under lease or cutting rights) by St. Paul as of June 1, 1957, report:

(1) The location and acreage by county and state.

(2) The location in relation to commercial forest lands owned or controlled by St. Regis or J. Neils Lumber Co.

(3) The net volume of live saw timber in board feet distributed by state for:

Douglas Fir
Hemlock
Spruce
Other species.

11. Explain how the business and productive facilities of each of the following companies is being fitted into the operations of your company:

(a) Superior Paper Products Company

(b) Pollock Paper Corporation

(c) General Container Corporation

(d) Ajax Box Company

(e) Cambridge Corrugated Box Company

(f) Gummed Products Company

(g) Pacific Waxed Paper Company

(h) Rhinelander Paper Company

(i) Growers Container Corporation

(j) F. J. Kress Box Company

(k) J. Neils Lumber Company

(l) St. Paul and Tacoma Lumber Company

[fol. 25] 12. For each company marketing some or all of its products in the United States and not named in question 11 of which, since January 1, 1956, St. Regis and/or its subsidiaries has achieved ownership of 25% or more of the voting stock, or has acquired fixed assets valued in excess of $200,000 report:

(a) The company's name and address.

(b) The kind (or kinds) of business in which it was engaged at the time of the acquisition.

(c) Specifically what was acquired. (Where the acquisition consists of voting stock, report the percentage it comprises of the votes of all outstanding shares. Where the acquisition consists of physical assets the description

should set forth the location, character and previous use of each major element).

(d) How the business and productive facilities acquired are being fitted into the operations of St. Regis (including St. Regis' subsidiaries).

13. For each company listed in your answer to question 12 which was a manufacturer of containers, a distributor of containers, a manufacturer of raw materials for containers or producer of a service purchased by either manufacturers or distributors of containers:

(a) Report the date of the acquisition, the name of the acquiring company, and the consideration.

(b) Furnish photo copies or certified true copies of:

(1) Contracts, options and agreements relating to the acquisition.

[fol. 26] (2) Correspondence, internal office memoranda, and special reports prepared by or for your company or a subsidiary of your company relating to the acquisition. You may omit materials relating solely to contracts and agreements with labor unions, and items of correspondence devoted exclusively to appointments, acknowledgment of the receipt of materials, or expressions of appreciation for courtesies, provided such items contain no annotations relevant to the negotiations between the company, part or all of whose stock or assets subsequently was acquired, its stockholders, and St. Regis or a St. Regis subsidiary.

14. For each company meeting the specifications of question 13 with respect to which the acquisition by St. Regis and/or its subsidiaries was of corporate stock, or of fixed assets employed in the major portion of the acquired or divesting company's business:

(a) Submit photo copies or certified true copies of:

(1) The company's annual profit and loss statements and year end balance sheets for two years preceding the acquisition and for each subsequent year, together with all supporting statements, exhibits and footnotes.

(2) The latest product catalog or description of the products and/or services of the company.

(3) Schedules submitted for each acquired establishment for the 1954 Census of Manufactures, and the 1954 Census of Business.

(4) Schedules covering the period January 1, 1957, to the date of this order which were submitted for each acquired establishment to the Bureau of the Census in conjunction with (i) the Facts for Industry Program, (ii) the [fol. 27] Annual Survey of Manufactures, or (iii) any other periodic or special report solicited by the Bureau of the Census.

(5) Schedules covering the period January 1, 1957, to the date of this order covering the operations of one or more of the establishments acquired, to any association or to any individual or firm collecting data on production, sales, orders, shipments and/or inventories of similar products and preparing reports thereon, and the name and address of each such trade association, individual or firm.

(6) All statistical summaries or reports prepared by a trade association, individual or firm and based on the type of data referred to in item (5).

(7) Correspondence amending or clarifying any of the schedules or reports specified under items (3), (4), (5) or (6).

With reference to (5), (6) and (7), your attention is called to the first paragraph on page 3 of this letter.

(b) Identify the product lines and the types of service sold by the company, and for each such product line and type of service report:

(1) Its uses or functions.

(2) The classes of customers.

(3) The area in which the company regularly made sales.

(4) The names and addresses of the company's ten largest buyers of the product line or service in the year

prior to the acquisition, and the dollar value of its sales to each of them.

(5) The dollar value of the company's total sales, and [fol. 28] of its sales to St. Regis (including St. Regis' subsidiaries) in the year prior to the acquisition.

(6) Wherever meaningful, the quantity corresponding to each value specified in items (4) and (5) immediately above.

(7) The names and addresses of the company's five chief competitors during the year prior to the acquisition.

(c) Identify the product lines and the types of service which, since the acquisition, St. Regis (including St. Regis' subsidiaries) has supplied the establishments acquired with the company, and for each such product line or type of service report for the year prior to the acquisition and for each accounting period since the acquisition:

(1) The names and addresses of the five principal suppliers of these establishments.

(2) The value of the establishment's total procurements, of their procurements from each of their five principal suppliers, and from St. Regis (including St. Regis' subsidiaries).

(3) Wherever meaningful, the quantity corresponding to each value specified in item (2) immediately above.

15. For each company meeting the specifications of question 13 with respect to which the acquisition by St. Regis and/or its subsidiaries is not covered by question 14:

(a) Wherever the acquisition was of one or more establishments, answer question 14(a)(3), (4) and (7) for those establishments.

(b) Wherever the acquisition was of one or more kinds [fol. 29] of business, answer questions 14(a) (2), (4), (5), (6) and (7), and questions 14(b) and questions 14(c) in their entirety for the kind or kinds of business acquired.

Parts (a) and (b) are not to be interpreted as mutually exclusive.

By direction of the Commission.

ROBERT M. PARRISH,
Secretary.

EXHIBIT C, ANNEXED TO COMPLAINT

Jan. 9, 1959

Growers Container Corporation,
P. O. Box 1211,
Salinas, California.

ORDER REQUIRING FILING OF SPECIAL REPORT

Re: File No. 5510696

Gentlemen:

Pursuant to a resolution of the Federal Trade Commission dated January 6, 1959, and entitled "Resolution Directing Investigation of the Acquisition by St. Regis Paper Company of the Stock or Assets, or Both the Stock and Assets, of Other Corporations," a copy of which is enclosed, you are ordered to submit a special report to the Commission within thirty days, containing the information and documents specified in the following questions. [fol. 30] In your answer please restate each question with which the corresponding answer is identified. If any question cannot be answered fully, give such information as is available to you and explain wherein and why your answer is incomplete.

1. Furnish the correct title, mailing address, date and state of incorporation of Growers Container Corporation.

2. Submit copies of the following materials:

(a) Contracts, options and agreements relating to St. Regis' acquisition of a controlling stock interest in Growers.

(b) Correspondence, internal office memoranda and special reports prepared by or for Growers in connection with the acquisition. You may omit materials relating solely to contracts and agreements with labor unions, and items of correspondence devoted exclusively to appointments, acknowledgment of the receipt of materials, or expressions of appreciation for courtesies, provided they contain no annotations relevant to the negotiations between Growers, its stockholders, and St. Regis.

(c) Annual reports of Growers for the last three years, or if the company made no annual reports, income statements and year and balance sheets, together with all supporting statements and explanatory notes.

(d) Minutes of meetings of the Board of Directors of Growers, and of other formal and informal committee actions relating to the acquisition.

(e) The last Growers product catalog or description of Growers' products issued prior to the date St. Regis Paper Company acquired control.

[fol. 31] (f) The most recent Growers release of each of the following issued during the two years immediately preceding the date St. Regis Paper Company acquired control: (1) comprehensive registration statement, (2) prospectus, (3) solicitation of proxy statement, and statement listing its securities on any security exchange.

3. Submit copies of the following materials:

(a) Schedules submitted by Growers and/or by subsidiaries of Growers to the Bureau of the Census for the 1954 Census of Manufactures, and for the 1955, 1956, and 1957 Annual Survey of Manufactures, except that if any schedule for the Annual Survey of Manufactures contains data for the value of shipments of each class of products for a prior year requested, the schedule for the prior year need not be submitted.

(b) Schedules submitted by Growers or its subsidiaries to any trade association or to any individual or firm collecting data on sales, orders, deliveries, and/or inventories

of similar products from several manufacturers and preparing reports thereon for the period since January 1, 1956.

(c) All statistical summaries or reports prepared by a trade association, individual, or firm, and based on the type of data referred to in question 3(b).

(d) Correspondence with the data collecting agency clarifying or amending any of the schedules or reports referred to in (a), (b) and (c).

With reference to (b), (c) and (d), what the Commission requires is annual totals for each of the years specified, plus schedules and reports for the period subse- [fol. 32] quent to the close of the last statistical year. Where certain schedules and reports contain annual totals for all the categories of information, copies of the interim reports are unnecessary.

4. List the specific properties of Growers Container Corporation of which St. Regis acquired control; identify each plant and (a) show its location, (b) describe its principal productive equipment, (d) give its rated capacity, and (e) state whether the plant was in operation in 1954.

5. (a) Show for the calendar year 1957 for each product line, Growers Container Corporation's total dollar value of sales from (1) its plants located in California, and (2) its plants located in Florida, and describe the area to which these plants regularly ship their products.

(b) Give the names and addresses of the ten most important customers during the year ending December 31, 1957 of

(1) plants of Growers Container Corporation located in California;

(2) plants of Growers Container Corporation located in Florida

Specify the quantity and dollar value of sales of Growers Container Corporation to each customer listed above for the calendar years 1956 and 1957, by product or product line.

6. (a) List the names and addresses of each supplier from whom Growers during 1957 made more than five percent of its purchases of:

(1) liner board;

[fol. 33] (2) corrugating material;

(3) container chipboard;

(4) folding boxboard stock;

(5) special food board;

(6) gummed reinforced box tape;

(7) any other type of paper or paperboard of which the company's annual purchases exceeded $500,000.

(b) For each product category listed in (a), give the total dollar value of Growers' purchases in 1957 and the amount purchased from each of the suppliers listed in your answer to (a).

(c) For each product category listed in (a), state the proportion of Growers' total requirements, during 1957.

(1) produced and supplied by Growers itself;

(2) purchased from St. Regis or its subsidiaries;

(3) purchased from other suppliers.

7. Indicate which of Growers' products or product lines are (a) equivalent in use to, or (b) practically substitutable for, products produced by St. Regis Corporation or any of its subsidiaries.

8. Give your understanding of the reasons which caused the stockholders of Growers Container Corporation to sell their securities to St. Regis Paper Company, or to exchange their securities for those of St. Regis Paper Company.

By direction of the Commission.

ROBERT M. PARRISH,
Secretary.

[fol. 34]

EXHIBIT D, ANNEXED TO COMPLAINT

Jan. 9, 1959

F. J. Kress Box Company, Inc.,
1 Twenty-eighth Street,
Pittsburgh, Pennsylvania.

ORDER REQUIRING FILING OF SPECIAL REPORT

Re: File No. 5510696.

Gentlemen:

Pursuant to a resolution of the Federal Trade Commission dated January 6, 1959, and entitled "Resolution Directing Investigation of the Acquisition by St. Regis Paper Company of the Stock or Assets, or Both the Stock and Assets, of Other Corporations," a copy of which is enclosed, you are ordered to submit a special report to the Commission within thirty days, containing the information and documents specified in the following questions.

In your answer please restate each question with which the corresponding answer is identified. If any question cannot be answered fully, give such information as is available to you and explain wherein and why your answer is incomplete.

1. Furnish the correct title, mailing address, date and state of incorporation of F. J. Kress Box Company.

2. Submit photostat copies or certified true copies of the following materials:

(a) Contracts, options and agreements relating to St. Regis' acquisition of a controlling stock interest in Kress.

[fol. 35] (b) Correspondence, internal office memoranda and special reports prepared by or for Kress in connection with the acquisition. You may omit materials relating solely to contracts and agreements with labor unions, and items of correspondence devoted exclusively to appointments, acknowledgment of the receipt of materials or expressions

of appreciation for courtesies, provided they contain no annotations relevant to the negotiations between Kress, its stockholders, and St. Regis.

(c) Annual reports of Kress for the last three years, or if the company made no annual reports, income statements and year-end balance sheets, together with all supporting statements and explanatory notes.

(d) Minutes of meetings of the Board of Directors of Kress, and of other formal and informal committee actions relating to the acquisition.

(e) The last Kress product catalog or description of Kress products issued prior to the date St. Regis Paper Company acquired control.

(f) The most recent Kress release of each of the following issued during the two years immediately preceding the date St. Regis Paper Company acquired control: (1) comprehensive registration statement, (2) prospectus, (3) solicitations of proxy statement, and statement listing its securities on any security exchange.

3. Submit photo copies or certified true copies of the following materials:

(a) Schedules submitted by Kress and/or by subsidiaries of Kress to the Bureau of the Census for the 1954 Census of Manufactures, and for the 1955, 1956 and [fol. 36] 1957 Annual Survey of Manufactures, except that if any schedule for the Annual Survey of Manufactures contains data for the value of shipments of each class of products for a prior year requested, the schedule for the prior year need not be submitted.

(b) Schedules submitted by Kress or its subsidiaries to any trade association or to any individual or firm collecting data on sales, orders, deliveries, and/or inventories of similar products from several manufacturers and preparing reports thereon for the period since January 1, 1956.

(c) All statistical summaries or reports prepared by a trade association, individual, or firm and based on the type of data referred to in question 3(b).

(d) Correspondence with the data collecting agency clarifying or amending any of the schedules or reports referred to in (a), (b), and (c).

With reference to (b), (c) and (d), what the Commission requires is annual totals for each of the years specified, plus schedules and reports for the period subsequent to the close of the last statistical year. Where certain schedules and reports contain annual totals for all the categories of information, copies of the interum reports are unnecessary.

4. List the specific properties of F. J. Kress Box Company, Inc. of which St. Regis acquired control, identify each plant and (a) show its location, (b) describe its principal productive equipment, (c) give its rated capacity, and (d) state whether the plant was in operation in 1954.

5. Show for the calendar year 1957, for each product or product line, (a) Kress total dollar value of sales, [fol. 37] (b) the area in which it regularly sells, (c) the names and addresses of its 10 chief customers with respect to that particular product or product line, (d) Kress' sales or the value of its shipments of that particular product or product line to each of these 10 customers, and to St. Regis and St. Regis' subsidiaries, and (e) the names and addresses of Kress' 10 principal competitors.

6. (a) List the names and addresses of each supplier from whom Kress during 1957 made more than five percent of its purchases of:

(1) Liner board

(2) Corrugating material

(3) Container chipboard

(4) Folding boxboard stock

(5) Special food board

(6) Gummed reinforced box tape

(7) Any other type of paper or paperboard for which the company's annual purchases exceeded $500,000.

(b) For each product category listed in (a), give the total dollar value of Kress purchases in 1957, and the amount purchased from each of the suppliers listed in your answer to (a).

(c) For each product category listed in (a), state the proportion of Kress' total requirements, during 1957.

(1) Produced and supplied by Kress itself.

(2) Purchased from St. Regis or its subsidiaries.

(3) Purchased from other suppliers.

[fol. 38] 7. Indicate which of Kress' products or product lines are (a) equivalent in use to or (b) practically substitutable for products produced by St. Regis Company or any of its subsidiaries.

8. Give your understanding of the reasons which caused the stockholders of F. J. Kress Box Company to sell their securities to St. Regis Paper Company, or to exchange their securities for those of St. Regis Paper Company.

By direction of the Commission.

ROBERT M. PARRISH,
Secretary.

Enclosure

EXHIBIT E, ANNEXED TO COMPLAINT

Jan. 9, 1959

Pacific Waxed Paper Company,
1505 Sixth Avenue, South,
Seattle 4, Washington.

ORDER REQUIRING FILING OF SPECIAL REPORT

Re: File No. 5510696.

Gentlemen:

Pursuant to a resolution of the Federal Trade Commission dated January 6, 1959, and entitled "Resolution

Directing Investigation of the Acquisition by St. Regis Paper Company of the Stock or Assets, or Both the Stock and Assets, of Other Corporations," a copy of which is enclosed, you are ordered to submit a special report to the Commission within thirty days, containing the information and documents specified in the following questions.

[fol. 39] In your answer, please restate each question with which the corresponding answer is identified. If any question cannot be answered fully, give such information as is available to you and explain wherein and why your answer is incomplete.

1. Furnish the correct title, mailing address, date and state of incorporation of Pacific Waxed Paper Company.

2. Submit photostat copies or certified true copies of the following materials:

(a) Contracts, options and agreements relating to the acquisition of a controlling stock interest in Pacific Waxed Paper Company by St. Regis Paper Company.

(b) Correspondence, internal office memoranda and special reports prepared by or for Pacific Waxed Paper Company in connection with the acquisition. You may omit materials relating solely to contracts and agreements with labor unions, and items of correspondence devoted exclusively to appointments, acknowledgment of the receipt of materials, or expressions of appreciation for courtesies, provided these items contain no annotations relevant to the negotiations between Pacific Waxed Paper Company, its stockholders, and St. Regis.

(c) Minutes of meetings of the Board of Directors of Pacific Waxed Paper Co. and of other formal and informal committee actions relating to the acquisition.

(d) The last Pacific Waxed Paper Co. catalog or description of Pacific's products issued prior to the date St. Regis Paper Company acquired control.

(e) Profit and Loss Statements and year and balance sheets for 1956 and 1957 together with all supporting statements or explanatory notes.

[fol. 40] 3. Submit photo copies or certified true copies of the following materials:

(a) Schedules submitted to the Bureau of the Census for the 1957 Annual Survey of Manufacturers.

(b) Schedules submitted by or for Pacific Waxed Paper Co. to any trade association or to any individual or firm collecting data on sales, orders, deliveries, and/or inventories of similar products from several manufacturers and preparing reports thereon for the period since Jan. 1, 1956, and the name and address of each such trade association, individual or firm.

(c) All statistical summaries or reports prepared by a trade association, individual, or firm, and based on the type of data referred to in question 3(b).

(d) Correspondence with the data collecting agency clarifying or amending any of the schedules or reports referred to in (a), (b) and (c).

With reference to (b), (c) and (d), what the Commission requires is annual totals for each of the years specified, plus schedules and reports for the period subsequent to the close of the last statistical year. Where certain schedules and reports contain annual totals for all the categories of information, copies of the interim reports are unnecessary.

4. (a) List the names and addresses of each supplier from whom Pacific Waxed Paper Co. during 1955 made more than 5 percent of its purchases of: (1) waxing stock, (2) waxed paper, and (3) other primary papers.

(b) Furnish the same information for 1957.

(c) For each type of material listed in (a), give the [fol. 41] total dollar value of Pacific's purchases in 1955 and the value of its purchases from each supplier listed in your answer to that question.

(d) For each type of material listed in your answer to (b), give the total dollar value of Pacific's purchases in 1957, and the value of its purchases from each of the suppliers listed in your answer to question (b).

(e) For each type of material listed in (a), give the proportion of Pacific's total requirements during 1955 (1) produced and supplied by Pacific itself (2) obtained from St. Regis or subsidiaries of St. Regis, including R. W. Paper Co., and (3) purchased from other suppliers.

(f) For each type of material listed in your answer to (b), give the corresponding information for 1957.

5. (a) Report the total sales or the total value of shipments of Pacific in 1955 and the company's sales or the value of its shipments of each product or product line.

(b) For each product or product line listed in your answer to question (a), (1) identify the area to which Pacific normally made shipments in 1955, (2) give the names and addresses of Pacific's 10 largest customers in 1955 and its sales or the value of its shipments of the particular product or product line to each of them during that year. You may omit product lines comprising less than 10 percent of Pacific's total sales provided the omitted lines do not aggregate more than 15 percent of Pacific's total sales.

(c) Report the information specified in (a) and (b) for the year 1957.

[fol. 42] 6. (a) Describe any changes which have been made in the character and scope of Pacific's operations since St. Regis acquired control of the company, and indicate the extent to which the company's productive capacity has been enlarged, or has been altered to permit the manufacture of different products.

(b) Briefly describe major improvements in or additions to the productive facilities of Pacific since St. Regis acquired control of the company, and indicate the extent to which the company's productive capacity has been enlarged, or altered to permit the manufacture of different products.

7. Give your understanding of the reasons which caused the stockholders of Pacific to sell their securities, or to exchange their securities for those of St. Regis.

By direction of the Commission.

ROBERT M. PARRISH,
Secretary.

[fol. 43]

EXHIBIT F, ANNEXED TO COMPLAINT

Jan. 9, 1959

Pollock Paper Corporation,
2236 South Lamar Street,
Dallas 2, Texas.

ORDER REQUIRING FILING OF SPECIAL REPORT

Re: File No. 5510696.

Gentlemen:

Pursuant to a resolution of the Federal Trade Commission dated January 6, 1959, and entitled "Resolution Directing Investigation of the Acquisition by St. Regis Paper Company of the Stock or Assets, or Both the Stock and Assets, of Other Corporations," a copy of which is enclosed, you are ordered to submit a special report to the Commission within thirty days, containing the information and documents specified in the following questions.

In your answer, please restate each question with which the corresponding answer is identified. If any question cannot be answered fully, give such information as is available to you and explain wherein and why your answer is incomplete.

References to Pollock Paper Corporation below shall be construed to include all subsidiary and affiliate companies excepting Pacific Waxed Paper Company.

1. Furnish the correct title, mailing address, date and state of incorporation of Pollock Paper Company.

[fol. 44] 2. Submit photostat copies or certified true copies of the following materials:

(a) Contracts, options, and agreements relating to St. Regis' acquisition of a controlling stock interest in Pollock.

(b) Correspondence, internal office memoranda and special reports prepared by or for Pollock in connection with the acquisition. You may omit materials relating solely

to contracts and agreements with labor unions and other items of correspondence devoted exclusively to appointments, acknowledgment of the receipt of materials, or expressions of appreciation for courtesies, providing these items contain no annotations relevant to the negotiations between Pollock, its stockholders, and St. Regis.

(c) Minutes of meetings of the Board of Directors of Pollock and of other formal and informal committee actions relating to the acquisition.

(d) The last Pollock product catalog or description of products manufactured by Pollock issued prior to the date St. Regis Paper Company acquired control of Pollock.

(e) Profit and loss statement of Pollock for 1957, and a year end balance sheet, together with all supporting statements or explanatory notes.

3. Submit photo copies or certified true copies of the following materials:

(a) Schedules submitted by Pollock to the Bureau of the Census (1) for the 1954 Census of Business in connection with Pollock's wholesale operations, and (2) for the 1957 Annual Survey of Manufacturers.

[fol. 45] (b) Schedules submitted by Pollock to any trade association or to any individual or firm collecting data or sales, orders, deliveries, and/or inventories of similar products from several manufacturers and preparing reports thereon for the period since January 1, 1956, and the name and address of each such trade association, individual or firm.

(c) All statistical summaries or reports prepared by a trade association, individual, or firm and based on the type of data referred to in question 3(b).

(d) Correspondence with the data collecting agency clarifying or amending any of the schedules or reports referred to in (a), (b) and (c).

With reference to (b), (c) and (d), what the Commission requires are annual totals for each of the years specified, plus schedules and reports for the period subsequent to the close of the last statistical year. Where certain schedules and reports contain annual totals for all the categories of information, copies of the interim reports are unnecessary.

4. (a) Report the total sales or the total value of shipments of Pollock in 1954 and the company's sales, or the value of its shipments of (1) waxed bread wraps, (2) cellophane bread wraps, (3) folding cartons, (4) set-up paper boxes, (5) corrugated shipping containers, (6) other products or product lines manufactured by Pollock, and (7) all other sales.

(b) For each product line numbered (1) through (5) in question 4(a), (1) identify the area to which Pollock normally made shipments in 1954, (2) give the names and addresses of Pollock's ten largest customers in 1954 and [fol. 46] its sales or the value of its shipments of the particular product or product line to each of them during that year.

(c) Report for the year 1957 the information specified in (a) and (b).

(d) Report the proportion of Pollock's total sales or shipments in 1954 consisting of (1) products produced by Pollock, (2) products purchased from St. Regis and its subsidiaries for resale, (3) products purchases from other companies for resale.

(e) Report the same information for the year 1957.

5. (a) List the names and addresses of each supplier from whom Pollock during 1954 made more than 5% of its purchases of: (1) linerboard, (2) corrugating material, (3) container shipboard, (4) folding boxboard stock, (5) special food board, (6) gummed reinforced box tape, (7) waxing stock, (8) glassine or greaseproof paper, (9) cellophane, (10) any other type of paper or paperboard of which the company's purchases that year exceeded $500,000.

(b) Furnish the same information for 1957.

(c) For each type of material listed in (a), give the total dollar value of Pollock's purchases in 1954 and the value of its purchases from each supplier listed in your answer to that question.

(d) For each type of material listed in your answer to (b), give the total dollar value of Pollock's purchases in 1957, and the value of its purchases from each of the suppliers listed in your answer to question (b).

(e) For each type of material listed in (a), give the proportion of Pollock's total requirements during 1954 [fol. 47] (1) produced and supplied by Pollock itself, (2) obtained from St. Regis or subsidiaries of St. Regis, including R-W Paper Company, and (3) purchased from other suppliers.

(f) For each type of material listed in your answer to (b), give the corresponding information for 1957.

(g) Describe the extent to which cellophane is used by Pollock as a substitute for waxed paper in the manufacture of bread wraps.

6. (a) Describe any changes which have been made in the character and scope of Pollock's operations since St. Regis acquired control of the company.

(b) Briefly describe major improvements in and additions to the productive facilities of Pollock since St. Regis acquired control of the company, and indicate the extent to which the company's productive capacity has been enlarged or has been altered to permit the manufacture of different products.

7. Give your understanding of the reasons which caused the stockholders of Pollock Paper Corporation to sell their securities or to exchange their securities for those of St. Regis.

By direction of the Commission.

ROBERT M. PARRISH,
Secretary.

[fol. 48]

EXHIBIT G, ANNEXED TO COMPLAINT

Jan. 9, 1959

Rhinelander Paper Company,
Rhinelander, Wisconsin.

ORDER REQUIRING FILING OF SPECIAL REPORT

Re: File No. 5510696.

Gentlemen:

Pursuant to a resolution of the Federal Trade Commission dated January 6, 1959, and entitled "Resolution Directing Investigation of the Acquisition by St. Regis Paper Company of the Stock or Assets, or Both the Stock and Assets, of Other Corporations," a copy of which is enclosed, you are ordered to submit a special report to the Commission within thirty days, containing the information and documents specified in the following questions.

In your answer, please restate each question with which the corresponding answer is identified. If any question cannot be answered fully, give such information as is available to you and explain wherein and why your answer is incomplete.

1. Furnish the correct title, mailing address, date and state of incorporation of Rhinelander Paper Company.

[fol. 49] 2. Submit photostat copies or certified true copies of the following materials:

(a) Contracts, options, and agreements relating to the acquisition of a controlling stock interest in Rhinelander Paper Company by St. Regis Paper Company.

(b) Contracts, agreements, and correspondence between Rhinelander and Weyerhaeuser Timber Co. concerning the establishment and operation of the R-W Paper Co.

(c) Correspondence, internal office memoranda and special reports prepared by or for Rhinelander in connection with the acquisition. You may omit materials relating

solely to contracts and agreements with labor unions, and items of correspondence devoted exclusively to appointments, acknowledgment of the receipt of materials, or expressions of appreciation for courtesies, provided they contain no annotations relevant to the negotiations between Rhinelander, its stockholders, and St. Regis.

(d) All reports, memoranda or correspondence received by Rhinelander from officials or employees of R-W Paper Company since January 1, 1956, concerning R-W's

(1) Production

(2) Sales

(3) Shipments

(4) Profit and/or loss from operations

(5) Establishment of its sales force

[fol. 50]

(6) Customers formerly supplied by Rhinelander on the Pacific Coast.

With reference to (1) through (4) what the Commission requires are annual totals insofar as the data are available in that form. Where certain schedules and reports contain annual totals for all the categories of information, copies of the interim reports are unnecessary.

(e) Profit and loss statements and year-end balance sheets of R-W Paper Company for the years 1956 and 1957, and of Rhinelander for the year 1957, together with all supporting statements or explanatory notes.

(f) Minutes of meetings of the Board of Directors of Rhinelander and of other formal and informal committee actions relating to the acquisition.

(g) The last Rhinelander catalog or description of Rhinelander's products issued prior to the date St. Regis Paper Company acquired control.

3. Submit photo copies or certified true copies of the following materials:

(a) Schedules submitted to the Bureau of the Census for the 1957 Annual Survey of Manufactures.

(b) Schedules submitted by Rhinelander to any trade association or to any individual or firm collecting data on sales, orders, deliveries, and/or inventories of similar products from several manufacturers and preparing reports thereon for the period since January 1, 1956.

[fol. 51] (c) All statistical summaries or reports prepared by a trade association, individual, or firm, and based on the type of data referred to in question 3(b).

(d) Correspondence with the data collecting agency clarifying or amending (1) any of the schedules or reports referred to in (a), (b) and (c), and (2) the schedules submitted to the Bureau of the Census for the 1954 Census of Manufactures.

With reference to (b), and (c) and (d), what the Commission requires is annual totals for each of the years specified, plus schedules and reports for the period subsequent to the close of the last statistical year. Where certain schedules and reports contain annual totals for all the categories of information, copies of the interim reports are unnecessary.

4. (a) Report the total sales or the total value of shipment of Rhinelander in 1955 and the Company's sales or the value of its shipments, of each product or product line. You may omit product lines comprising less than 5 percent of Rhinelander's total sales provided the omitted lines do not aggregate more than 7½ percent of Rhinelander's total sales.

(b) For each product or product line listed in your answer to question 4(a), (1) identify the area to which Rhinelander normally made shipments in 1955, (2) give the names and addresses of Rhinelander's twenty largest customers in 1955 and its sales or the value of its shipments of the particular product or product line to each of them during that year.

[fol. 52] (c) Report the information specified in (a) and (b) for the year 1957.

5. (a) Describe Rhinelander's method of distribution in 1955 and describe any changes which have been made in the method of distribution since St. Regis acquired control of the Company.

(b) Describe any changes which have been made in the character and scope of Rhinelander's manufacturing operations since St. Regis acquired control of the company, and indicate the extent to which the company's productive capacity has been enlarged, or has been altered to permit the manufacture of different products.

6. Give your understanding of the reasons which caused the stockholders of Rhinelander to sell their securities, or to exchange their securities for those of St. Regis.

By direction of the Commission.

(Sgd.) ROBERT M. PARRISH,
Secretary.

[fol. 53]

EXHIBIT H, ANNEXED TO COMPLAINT

UNITED STATES OF AMERICA

BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS:

JOHN W. GWYNNE, Chairman
ROBERT T. SECREST
SIGURD ANDERSON
WILLIAM C. KERN
EDWARD T. TAIT

File No. 5510696

In the Matter of

ST. REGIS PAPER COMPANY.

ORDER DENYING MOTION TO VACATE

Counsel for St. Regis Paper Company, by motion filed January 22, 1959, having requested the Commission to

vacate its resolution of January 6, 1959, and its orders of January 9, 1959, requiring St. Regis Paper Company and certain other corporations to file special reports described in said orders, and the Commission having duly considered the matter and determined for reasons stated in the ac-
[fol. 54] companying memorandum that said motion should be denied:

IT IS ORDERED that the motion be, and it hereby is, denied:

IT IS FURTHER ORDERED that the reports originally required to be filed within thirty days after service of the Commission's orders of January 9, 1959, be filed on or before May 28, 1959.

By the Commission.

(Sgd.) ROBERT M. PARRISH
Robert M. Parrish,
Secretary.

(SEAL)

ISSUED: May 6, 1959

[fol. 55]

EXHIBIT I, ANNEXED TO COMPLAINT

UNITED STATES OF AMERICA

BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS:

ROBERT T. SECREST, Acting Chairman

SIGURD ANDERSON

WILLIAM C. KERN

EDWARD T. TAIT

File No. 5510696

In the Matter of

ST. REGIS PAPER COMPANY

RESOLUTION BROADENING THE INVESTIGATION OF ST. REGIS PAPER COMPANY INITIATED BY RESOLUTION DATED JANUARY 6, 1959

WHEREAS, the Commission, by its resolution dated January 6, 1959, initiated an investigation, for the purposes stated in the resolution, of the organization, business, conduct, practices, and management of St. Regis Paper Company and of the corporations whose stock or assets, or both stock and assets, had been acquired by St. Regis Paper Company on or after January 1, 1954, and the relation of St. Regis Paper Company and the acquired corporations to each other and to other corporations; and

WHEREAS, the Commission has information to the effect that St. Regis Paper Company has acquired since January [fol. 56] 6, 1959, or proposes to acquire, the stock or assets, or both the stock and assets, of Northwest Door Company and Cupples-Hesse Corporation, corporations engaged in interstate commerce and subject to the jurisdiction of the Commission; and

WHEREAS, the Commission believes that it is in the public interest to broaden its said investigation to determine the effect upon competition of the acquisitions or proposed acquisitions mentioned in the preceding paragraph:

NOW, THEREFORE, BE IT RESOLVED that the investigation initiated by the Commission's resolution dated January 6, 1959, be, and it hereby is, broadened to include investigation of the acquisition or proposed acquisition by St. Regis Paper Company of the stock or assets, or both the stock and assets, of Northwest Door Company and Cupples-Hesse Corporation, and to include investigation of the organization, business, conduct, practices, and management of Northwest Door Company and Cupples-Hesse Corporation and the relation of St. Regis Paper Company, Northwest Door Company, and Cupples-Hesse Corporation to each other and to other corporations.

By the Commission.

(Sgd.) ROBERT M. PARRISH,
Robert M. Parrish,
Secretary.

(SEAL)

Dated: June 4, 1959.

[fol. 57]

EXHIBIT J, ANNEXED TO COMPLAINT

June 8, 1959

St. Regis Paper Company,
150 East 42nd Street,
New York 17, New York.

ORDER REQUIRING FILING OF SPECIAL REPORT.

Re: File No. 5510696.

Gentlemen:

Pursuant to a resolution of the Federal Trade Commission dated June 4, 1959, a copy of which is enclosed, you are ordered to submit a special report to the Commission within thirty days, containing the information and documents specified in the following questions.

In your answer please restate each question with which the corresponding answer is identified. If any question cannot be answered fully, give such information as is available to you and explain wherein and why your answer is incomplete.

Wherever information pertaining to an acquired company is requested for a period subsequent to the merger of that company into your company or a subsidiary of your company, the specified information is to be provided for the plants operated by the acquired companies at the time of their acquisition, in whatever form the plants existed during the period for which the information is requested.

Throughout this order references to "St. Regis Paper Company", "St. Regis" or "your company" shall include St. Regis Paper Company and all subsidiaries of St. Regis doing business in the United States, its territories and possessions, and references to "Cupples-Hesse Corpora-
[fol. 58] tion" shall include all subsidiaries of Cupples-Hesse Corporation doing business in the United States, its territories and possessions.

1. Submit photo copies or certified true copies of the following materials:

(a) Contracts, options and agreements of your company or a subsidiary of your company relating to the proposed acquisition of a controlling interest in Northwest Door Company of Tacoma, Washington, with the exception of the agreement of November 25, 1958, and a letter of Mr. C. John Newlands to your company dated November 25, 1958. Copies of these two documents already have been furnished the Commission.

(b) Contracts, options and agreements of your company or a subsidiary of your company relating to the proposed acquisition of a controlling interest in Cupples-Hesse Corporation of St. Louis, Missouri, and the acquisition of a controlling interest in its subsidiaries.

(c) Correspondence, internal office memoranda, and special reports prepared by or for your company or a subsidiary of your company relating to the acquisition of either Northwest Door Company or Cupples-Hesse Corporation. You may omit materials relating solely to contracts and agreements with labor unions, and items of correspondence devoted exclusively to appointments, acknowledgment of the receipt of materials, or expressions of appreciation for courtesies, provided such items contain no annotations relevant to the negotiations between the company subsequently acquired, its stockholders and St. Regis.

(d) The annual report of your company for 1958 and of each prospectus issued since January 9, 1959.

[fol. 59] 2. Submit photo copies of:

(a) Schedules submitted by your company for the 1958 Census of Manufactures.

(b) Any correspondence amending or clarifying your reports on these schedules

3. For each product or product line of your company which can be used by Northwest Door report:

(a) The area to which you normally made shipments in 1958.

(b) The names and addresses of your 20 principal customers in 1958.

(c) Your 1958 sales, or the value of your 1958 shipments, to Northwest Door Company, to each of these 20 customers, and to all customers.

4. For each product or product line of your company which can be used by Cupples-Hesse Corporation, report the information specified in question 3, substituting "Cupples-Hesse Corporation" for "Northwest Door Company" in part (c).

5. Explain how the business and productive facilities of Northwest Door Company and of Cupples-Hesse Corporation would be fitted into the operations of your company.

By direction of the Commission.

ROBERT M. PARRISH,
Secretary.

(SEAL)

[fol. 60]

EXHIBIT K, ANNEXED TO COMPLAINT

June 8, 1959

Cupples-Hesse Corporation,
4819 Kingshighway Memorial Boulevard,
St. Louis 15, Missouri.

ORDER REQUIRING FILING OF SPECIAL REPORT.

Re: File No. 5510696.

Gentlemen:

Pursuant to resolutions of the Federal Trade Commission dated January 6 and June 4, 1959, copies of which are enclosed, you are ordered to submit a special report to the Commission within 30 days, containing the information and documents specified in the following questions.

References to "Cupples-Hesse Corporation", "Cupples-Hesse", or "your company" should be understood to include all subsidiaries of Cupples-Hesse Corporation. References to "St. Regis Paper Company" or "St. Regis" should be

understood to include all subsidiaries of St. Regis Paper Company.

In your answer, please restate each question with which the corresponding answer is identified. If any question cannot be answered fully, give such information as is available to you and explain wherein and why your answer is incomplete.

1. Furnish the correct title, mailing address, date and state of incorporation of Cupples-Hesse Corporation.

2. Submit photo copies or certified true copies of the following materials:

(a) Contracts, options and agreements relating to St. [fol. 61] Regis' acquisition of a controlling stock interest in Cupples-Hesse Corporation.

(b) Correspondence, internal office memoranda and special reports prepared by or for your company in connection with the acquisition. You may omit materials relating solely to contracts and agreements with labor unions, and items of correspondence devoted exclusively to appointments, acknowledgment of the receipt of materials, or expressions of appreciation for courtesies, provided they contain no annotations relevant to the negotiations between Cupples-Hesse Corporation, its stockholders, and St. Regis.

(c) Annual reports of Cupples-Hesse for the last three years, or if the company made no annual reports, income statements and year-end balance sheets, together with all supporting statements and explanatory notes.

(d) Minutes of meetings of the Board of Directors of Cupples-Hesse, and of other formal and informal committee actions relating to the acquisition.

(e) The most recent product catalog or description of Cupples-Hesse products.

(f) The most recent Cupples-Hesse release of each of the following issued during the last two years: (1) comprehensive securities registration statement, (2) prospectus, (3) solicitations of proxy statement, and statement listing its securities on any security exchange.

3. Submit photo copies or certified true copies of the following materials:

(a) Schedules submitted by Cupples-Hesse to the Bureau of the Census for the 1958 Census of Manufactures, [fol. 62] and for the 1956 and 1957 Annual Survey of Manufactures, except that where the 1957 schedule for the Annual Survey of Manufactures contains data for the value of 1956 shipments of each class of products, the 1956 schedule need not be submitted.

(b) Schedules submitted by Cupples-Hesse to any trade association or to any individual or firm collecting data on sales, orders, deliveries, and/or inventories of similar products from several manufacturers and preparing reports thereon for the period since January 1, 1957.

(c) All statistical summaries or reports prepared by a trade association, individual or firm and based on the type of data referred to in question 3(b).

(d) Correspondence with the data collecting agency clarifying or amending any of the schedules or reports referred to in (a), (b), and (c).

With reference to (b), (c) and (d), what the Commission requires is annual totals for each of the years specified, plus schedules and reports for the period subsequent to the close of the last statistical year. Where certain schedules and reports contain annual totals for all the categories of information, copies of the interim reports are unnecessary.

4. List the specific properties of Cupples-Hesse Corporation of which St. Regis acquired control; identify each plant and (a) show its location, (b) describe its principal productive equipment, and (c) give its rated capacity.

5. (a) Report the total sales or the total value of shipments of Cupples-Hesse Corporation in 1958, and the com- [fol. 63] pany's sales or the value of its shipments, of each product or product line. You may omit product lines comprising less than 5 percent of Cupples-Hesse Corporation's total sales provided the omitted lines do not aggregate more than 7½ percent of Cupples-Hesse Corporation's total sales.

(b) For each product or product line listed in your answer to question 5(a): (1) describe the method by which Cupples-Hesse Corporation distributed its output during 1958; (2) identify the area to which you normally made shipments in 1958; (3) give the names and addresses of your chief competitors; (4) give the names and addresses of your twenty principal customers in 1958; and (5) report your 1958 sales or the value of your 1958 shipments to St. Regis Paper Company (including St. Regis subsidiaries), to R-W Paper Company, and to each of these twenty customers.

6. For each product or product line of St. Regis Paper Company (including its subsidiaries) which can be used by Cupples-Hesse Corporation, report the value of its 1958 purchases (a) from all companies, and (b) from St. Regis Paper Company, including St. Regis subsidiaries.

7. Give your understanding of the reasons which caused the stockholders of Cupples-Hesse Corporation to sell their securities, or to exchange their securities for those of St. Regis.

By direction of the Commission.

ROBERT M. PARRISH,
Secretary.

[SEAL]

[fol. 64]

EXHIBIT L, ANNEXED TO COMPLAINT

June 8, 1959

Northwest Door Company,
1203 East D Street,
Tacoma, Washington.

ORDER REQUIRING FILING OF SPECIAL REPORT.

Re: File No. 5510696.

Gentlemen:

Pursuant to resolutions of the Federal Trade Commission dated January 6 and June 4, 1959, Copies of which

are enclosed, you are ordered to submit a special report to the Commission within 30 days, containing the information and documents specified in the following questions.

References to "Northwest Door Company" or "your company" should be understood to include any subsidiaries of Northwest Door Company. References to "St. Regis Paper Company" or "St. Regis" should be understood to include all subsidiaries of St. Regis Paper Company.

In your answer, please restate each question with which the corresponding answer is identified. If any question cannot be answered fully, give such information as is available to you and explain wherein and why your answer is incomplete.

1. Furnish the correct title, mailing address, date and state of incorporation of Northwest Door Company.

2. Submit photo copies or certified true copies of the following materials:

(a) Contracts, options, and agreements relating to the [fol. 65] proposed acquisition of a controlling stock interest in Northwest Door Company by St. Regis Paper Company, with the exception of the agreement of November 25, 1958, and a letter of Mr. C. John Newlands to St. Regis Paper Company dated November 25, 1958. Copies of these two documents already have been furnished the Commission.

(b) Correspondence, internal office memoranda and special reports prepared by or for Northwest Door Company in connection with the proposed acquisition. You may omit materials relating solely to contracts and agreements with labor unions, and items of correspondence devoted exclusively to appointments, acknowledgment of the receipt of materials, or expressions of appreciation for courtesies, provided they contain no annotations relevant to the negotiations between Northwest Door Company, its stockholders, and St. Regis.

(c) Profit and loss statements and year-end balance sheets of Northwest Door Company for the years 1957 and 1958, together with all supporting statements or explanatory notes. In the event that September 30 is the end of

your fiscal year, you may omit the balance sheet of September 30, 1958, as a copy of this document already has been furnished the Commission. However, we are not in possession of any supporting statements or explanatory notes that may have been prepared with reference to this balance sheet.

(d) Minutes of meetings of the Board of Directors of Northwest Door Company and of other formal and informal committee actions relating to the acquisition.

(e) The most recent Northwest Door Company catalog or description of its products.

[fol. 66] 3. Submit photo copies or certified true copies of the following materials:

(a) Schedules submitted to the Bureau of the Census for the 1957 Annual Survey of Manufactures and the 1958 Census of Manufactures.

(b) Schedules submitted by Northwest Door Company to any trade association or to any individual or firm collecting data on sales, orders, deliveries, and/or inventories of similar products from several manufacturers and preparing reports thereon for the period since January 1, 1957.

(c) All statistical summaries or reports prepared by a trade association, individual, or firm, and based on the type of data referred to in question 3(b).

(d) Correspondence with the data collecting agency clarifying or amending (1) any of the schedules or reports referred to in (a), (b) and (c), and (2) the schedules submitted to the Bureau of the Census for the 1958 Census of Manufactures.

With reference to (b), (c) and (d), what the Commission requires is annual totals for each of the years specified, plus schedules and reports for the period subsequent to the close of the last statistical year. Where certain schedules and reports contain annual totals for all the categories of information, copies of the interim reports are unnecessary.

4. (a) Furnish a list of Northwest Door Company's plants, and for each plant report its location, its principal product lines and its rated capacity for each product line.

[fol. 67] (b) For commercial forest lands owned or controlled (under lease or cutting rights) by Northwest Door Company report:

(1) The location and acreage by county and state.

(2) The location in relation to commercial forest lands owned and controlled by St. Regis.

(3) The net volume of live saw timber on such commercial forest lands in board feet distributed by state for:

Douglas Fir,
Ponderosa Pine,
Hemlock,
Lodge Pole Pine,
Spruce,
Other species.

(c) Furnish complete details on the production and sale of pulp wood, chips, or sawmill waste to pulp or paper mills for the years 1957 and 1958.

5. (a) Report the total sales or the total value of shipments of Northwest Door Company in 1958, and the company's sales or the value of its shipments, of each product or product line. You may omit product lines comprising less than 5 percent of Northwest Door Company's total sales provided the omitted lines do not aggregate more than 7½ percent of Northwest Door Company's total sales.

[fol. 68] (b) For each product or product line listed in your answer to question 5(a): (1) describe the method by which Northwest Door Company distributed its output during 1958; (2) identify the area to which you normally made shipments in 1958; (3) give the names and addresses of your chief competitors; (4) give the names and addresses of your twenty principal customers in 1958; and (5) report your 1958 sales or the value of your 1958 shipments to St. Regis Paper Company (including St. Regis subsidiaries), to R-W Paper Company, and to each of these twenty customers.

6. For each product or product line of St. Regis Paper Company (including its subsidiaries) which can be used by Northwest Door Company, report the value of its 1958 purchases (a) from all companies, and (b) from St. Regis Paper Company, including St. Regis subsidiaries.

7. Give your understanding of the reasons which caused the stockholders of Northwest Door Company to sell their securities, or to exchange their securities for those of St. Regis.

By direction of the Commission.

ROBERT M. PARRISH,
Secretary

[SEAL]

[fol. 69]

EXHIBIT M, ANNEXED TO COMPLAINT

UNITED STATES OF AMERICA

BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS:

EARL W. KINTNER, Chairman,

ROBERT T. SECREST

SIGURD ANDERSON

WILLIAM C. KERN

EDWARD T. TAIT

File No. 5510696

In the Matter of

ST. REGIS PAPER COMPANY, et al.

NOTICE OF DEFAULT TO ST. REGIS PAPER COMPANY

WHEREAS, the Federal Trade Commission on January 6, 1959, pursuant to the authority granted in subsections (a)

and (b) of Section 6 of the Federal Trade Commission Act (15 U. S. C., Sec. 46(a)(b)) and to its published procedures and rules of practice (16 CFR, 1958 Supp. 1.1 et seq.), adopted a resolution directing an investigation, for the purposes stated in the resolution, of the organization, business, conduct, practices, and management of St. Regis Paper Company, a corporation, and of the corporations whose stock or assets, or both stock and assets, have been acquired by St. Regis Paper Company on or after January 1, 1954, and the relation of St. Regis Paper Company and [fol. 70] the acquired corporations to each other and to other corporations; and,

WHEREAS, the Commission on January 9, 1959, pursuant to the said resolution, issued its orders requiring St. Regis Paper Company to submit to the Commission within thirty days a special report containing the information and documents specified in the order; and

WHEREAS, the said resolution and the said order requiring the special report were served on St. Regis Paper Company by registered mail on January 12, 1959; and,

WHEREAS, the Commission on March 5, 1959, issued, and on March 7, 1959, served on St. Regis Paper Company by registered mail, its order suspending the directions contained in the Commission's said order requiring the special report pending further consideration of a motion to vacate the said order filed by St. Regis Paper Company on January 22, 1959; and,

WHEREAS, the Commission, on May 6, 1959, issued its opinion and order denying the said motion, and directing that the special report originally required to be filed within thirty days after service of the said order of January 9, 1959, be filed on or before May 28, 1959; and,

WHEREAS, the Commission's said opinion and order of May 6, 1959, were served on St. Regis Paper Company by registered mail on May 7, 1959; and,

WHEREAS, St. Regis Paper Company has failed to file the special report required by the said order of January 9, 1959, on or before May 28, 1959, or at any time there-

after prior to the date of this notice of default, and no [fol. 71] additional time having been granted by the Commission for the filing of the said special report; and,

WHEREAS, Section 10 of the Federal Trade Commission Act (15 U. S. C., Sec. 50) provides in part as follows:

> "If any corporation required by this Act to file any annual or special report shall fail so to do within the time fixed by the Commission for filing the same, and such failure shall continue for thirty days after notice of such default, the corporation shall forfeit to the United States the sum of $100 for each and every day of the continuance of such failure, which forfeiture shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of the United States brought in the district where the corporation has its principal office or in any district in which it shall do business."

NOW, THEREFORE, you, St. Regis Paper Company, are hereby notified, as provided in Section 10 of the Federal Trade Commission Act, that you are in default in having failed to file on or before May 28, 1959, or at any time thereafter, the special report containing the information and documents required by the said order of the Federal Trade Commission dated January 9, 1959.

By the Commission.

(Sgd.) ROBERT M. PARRISH,
Secretary.

[SEAL]

Issued: June 18, 1959

[fol. 72]

EXHIBIT N, ANNEXED TO COMPLAINT

UNITED STATES OF AMERICA

BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS:

EARL W. KINTNER, Chairman,

ROBERT T. SECREST

SIGURD ANDERSON

WILLIAM C. KERN

EDWARD T. TAIT

File No. 5510696

In the Matter of

ST. REGIS PAPER COMPANY, et al.

NOTICE OF DEFAULT TO ST. REGIS PAPER COMPANY

WHEREAS, the Federal Trade Commission on June 4, 1959, pursuant to the authority granted in subsections (a) and (b) of Section 6 of the Federal Trade Commission Act (15 U. S. C., Sec. 46 (a)(b)) and to its published procedures and rules of practice (16 CFR, 1958 Supp. 1.1 et seq.), adopted a resolution which broadened the investigation, initiated by a resolution adopted by the Commission on January 6, 1959, of the organization, business, conduct, practices, and management of St. Regis Paper Company, a corporation, and of the corporations whose stock or assets, or both stock and assets, have been acquired by St. Regis Paper Company on or after January 1, 1954, [fol. 73] and the relation of St. Regis Paper Company and the acquired corporations to each other and to other corporations; and,

WHEREAS, the Commission on June 8, 1959, pursuant to the said resolution adopted June 4, 1959, issued its order requiring St. Regis Paper Company to submit to the Commission within thirty days a special report containing the information and documents specified in the order; and,

WHEREAS, the said resolution initiating the investigation, adopted January 6, 1959, was served on St. Regis Paper Company by registered mail on January 12, 1959, and the said resolution broadening the investigation, adopted June 4, 1959, and the said order requiring a special report, issued June 8, 1959, were served on St. Regis Paper Company by registered mail on June 9, 1959; and,

WHEREAS, St. Regis Paper Company has failed to file the special report required by the said order of June 8, 1959, on or before July 9, 1959, or at any time thereafter prior to the date of this notice of default, and no additional time having been granted by the Commission for the filing of the said special report; and,

WHEREAS, Section 10 of the Federal Trade Commission Act (15 U. S. C., Sec. 50) provides in part as follows:

> "If any corporation required by this Act to file any annual or special report shall fail so to do within the time fixed by the commission for filing the same, and [fol. 74] such failure shall continue for thirty days after notice of such default, the corporation shall forfeit to the United States the sum of $100 for each and every day of the continuance of such failure, which forfeiture shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of the United States brought in the district where the corporation has its principal office or in any district in which it shall do business."

NOW, THEREFORE, you, St. Regis Paper Company, are hereby notified, as provided in Section 10 of the Federal Trade Commission Act, that you are in default in having failed to file on or before July 9, 1959, or at any time thereafter, the special report containing the information

and documents required by the said order of the Federal Trade Commission dated June 8, 1959.

By the Commission.

(Sgd.) Robert M. Parrish,
Secretary.

[Seal]

Issued: July 22, 1959.

[fol. 76]

In United States District Court

Southern District of New York

Civil Action No. 150-271

United States of America, Plaintiff,

v.

St. Regis Paper Company, Defendant.

Defendant's Answer—Filed October 23, 1959

The defendant St. Regis Paper Company, by its attorneys LeBoeuf, Lamb & Leiby, answering the complaint herein:

Answer to Count One

1. Admits the allegations of the paragraphs of the complaint designated 2 and 3.

2. Except as hereinafter admitted, denies it has any knowledge or information sufficient to form a belief as to the allegations of the paragraph designated 1, and the paragraphs designated 4 to 11, inclusive.

3. Denies that the Federal Trade Commission (hereinafter, for convenience, called "the Commission") has lawful power or authority under Section 6(a) and (b) of the Federal Trade Commission Act (15 U. S. C. §46(a) and

(b)) to require defendant or any of the former corporations named in said complaint, to wit, Growers Container Corporation, formerly a California corporation; F. J. Kress Box Company, formerly a Pennsylvania corporation; Pa-[fol. 77] cific Waxed Paper Company, formerly a Washington corporation; Pollock Paper Corporation, formerly a Texas corporation; Rhinelander Paper Company, formerly a Wisconsin corporation and Cupples-Hesse Corporation, formerly a Missouri corporation, all of which corporations, shortly after the acquisition of all of their outstanding capital stocks by defendant, were merged with and into defendant, and Northwest Door Company, a Washington corporation, all of the outstanding capital stock of which is presently owned by defendant, to furnish to the Commission special reports for the purpose of investigating whether the combined effect of the acquisition by defendant of the stocks, or the stocks and assets, of any of the said corporations hereinbefore mentioned, or any of them, may have violated a law administered by said Commission, to wit, Section 7 of the Clayton Act (15 U. S. C. Sec. 18).

4. Denies that said Commission has lawful power or authority to adopt the resolution dated January 6, 1959, a copy of which, consisting of two pages marked exhibits "A-1" and "A-2", is annexed to the complaint; the resolution dated June 4, 1959, a copy of which, consisting of two pages marked exhibits "I-1" and "I-2", is annexed to the complaint, and the resolution dated June 18, 1959, a copy of which, consisting of two pages marked exhibits "M-1" and "M-2", is annexed to the complaint.

5. Denies that the Commission has lawful power or authority to require defendant to furnish said Commission the answers to the numerous questions or the documents, records and information, as requested in the Commission's letters dated January 9, 1959 addressed to the defendant and to said Growers Container Corporation, F. J. Kress [fol. 78] Box Company, Pacific Waxed Paper Company, Pollock Paper Corporation and Rhinelander Paper Company, and in the Commission's letters dated June 8, 1959, addressed to defendant, Cupples-Hesse Corporation and Northwest Door Company, copies of the pages of which

letters, marked, respectively, exhibits "B-1", "B-2", "B-3", "B-4", "B-5", "B-6", "B-7", "B-8", "B-9", "B-10", "B-11", "C-1", "C-2", "C-3", "D-1", "D-2", "D-3", "E-1", "E-2", "E-3", "F-1", "F-2", "F-3", "F-4", "G-1", "G-2", "G-3", "J-1", "J-2", "K-1", "K-2", "K-3", "L-1", "L-2", "L-3" and "L-4", are annexed to the complaint.

6. Admits that copies of the said resolutions and of the said letters mentioned in paragraphs 4 and 5 hereof were received by defendant, or defendant's former wholly-owned subsidiary corporations, and by defendant's subsidiary Northwest Door Company.

7. Admits that, except for the documents, records and other information which the defendant voluntarily furnished the Commission prior to and, in part, subsequent to the adoption by the Commission of the said resolutions purporting to order special reports pursuant to said Section 6(b) of the Federal Trade Commission Act, defendant, the said former subsidiary corporations which have been merged with and into defendant, as aforesaid, and its said subsidiary, Northwest Door Company, have not furnished the documents, materials, records and information requested to be furnished said Commission as specified in said letters of the said Commission, copies of which are annexed as exhibits to the complaint.

[fol. 79] Answer to Count Two

8. Except as hereinafter admitted, denies it has any knowledge or information sufficient to form a belief as to the allegations of the paragraphs of the complaint designated 12, 14, 15, 16 and 17, inclusive.

9. Repeats and realleges each and every denial and admission as contained in the paragraphs of this answer numbered 1 to 7, inclusive, with the same force and effect as if herein set forth at length.

10. Denies that the Commission has lawful power or authority under Section 10 of the Federal Trade Commission Act (15 U.S.C. 50), or under any other law, to issue to defendant a notice of alleged default in filing spe-

cial reports required by defendant by the Commission's purported "orders" dated January 9, 1959 and June 8, 1959, copies of which, marked exhibits "M" and "N", are annexed to the complaint herein.

11. Admits that on or about June 21 and July 25, 1959, defendant received by registered mail copies of said exhibits "M" and "N" and that, except as alleged in paragraph 7 of this answer, defendant and its said subsidiary Northwest Door Company have not filed any reports as purportedly required by said purported "orders" of the Commission.

12. Denies that defendant is in default in any respect in furnishing any report or any other document, record or any other information lawfully requested by the Commission.

Affirmative Defenses

13. *As and for a first, separate and complete affirmative defense* to each and every cause of action alleged in the [fol. 80] complaint, defendant alleges that the allegation of Count One and Count Two of the complaint fail to state a claim upon which relief can be granted.

14. *As and for a second, separate and complete affirmative defense* to each and every cause of action alleged in the complaint, defendant alleges, on information and belief:

(a) that in adopting the said resolutions, copies of which are annexed as exhibits to the complaint, and in issuing the said several letters and said notices of default, copies of which are annexed as exhibits to the complaint, the Commission acted in contravention of the specific prohibition of Section 6(b) of the Federal Administrative Procedure Act (5 U.S.C. §1105, (b)), providing as follows:

> "(b) *Investigations.*—No process, requirement of a report, inspection, or other investigative act or demand shall be issued, made, or enforced in any manner or for any purpose except as authorized by law • • • ", and

(b) that the said resolutions, said letters entitled "orders" and said "notices of default" issued by the Commission, as aforesaid, are without any force or effect in law.

15. *As and for a third, separate and complete affirmative defense* to the claim alleged in Count One of the complaint, defendant alleges, on information and belief, that the special reports, as required by the Commission, do not conform to constitutional standards, in that the requirements thereof are unreasonable, oppressive, improper in scope and repetitious, and require the furnishing to the Commission of (a) the names and addresses of defendant's and defendant's said subsidiary's largest customers which [fol. 81] the Commission will publish (by verification with such customers) in contravention of the provisions of Section 6(f) of the said Federal Trade Commission Act, and (b) copies of the defendant's reports to the Census of Manufacturers which are confidential and privileged information under the Census Act (13 U. S. C. §131).

16. *As and for a fourth, separate and complete affirmative defense* to the claim alleged in Count Two of the complaint, defendant alleges, on information and belief, that plaintiff is construing the provisions of Section 10 of the Federal Trade Commission Act (15 U. S. C. §50, *supra*) in a manner which contravenes the due process clause of the Constitution, in that the imposition of the penalties alleged to be payable by defendant under said Section 10 for alleged failure of defendant to file special reports, as required by the Commission under Section 6(b) of the Federal Trade Commission Act, as aforesaid, pending a final determination in the courts of the lawful power of the plaintiff under said Section 6(b) of the Federal Trade Commission Act, is to coerce the defendant into compliance with an asserted power prior to a judicial determination of the validity thereof, thereby depriving defendant of its property and property rights in the information required so to be furnished the Commission without a full and fair hearing and a final judicial determination of the existence of such power by due process of law.

17. *As and for a fifth, separate and complete affirmative defense* to each and every claim alleged in the complaint, defendant alleges:

[fol. 82] (a) that prior to the purported adoption of said resolution dated January 6, 1959, to wit, during the period beginning on or about September 25, 1956, in response to a letter to defendant dated September 7, 1956, signed by Charles E. Stroud, Esq., attorney employed by said Federal Trade Commission, and pursuant to an appointment and conference requested on behalf of defendant, at the office of the Commission in Washington, D. C., defendant voluntarily submitted to and made available for inspection, examination, retention and copying by representatives of said Commission, including, among others, Messrs. Frank C. Hale, Legal Adviser of the Bureau of Investigation, and Edward T. Widman, Attorney for the Bureau of Investigation, copies of numerous documents, records, contracts, agreements, prospectuses forming parts of registration statements filed by defendant with the Securities and Exchange Commission, and other information relating to the acquisition by defendant of the stocks, or stocks and assets, of other corporations acquired by defendant since January 1, 1954, including the stocks of each of the corporations (other than defendant) hereinabove named;

(b) that thereafter, in oral conferences at the office of defendant and defendant's counsel in the City of New York with counsel for said Commission, namely, Charles E. Stroud, Esq., and other representatives of said Commission, defendant voluntarily furnished said Commission additional documents, records and information relating to said acquisitions;

(c) that subsequently, pursuant to a paper designated a "subpoena duces tecum", purporting to have been issued by or on behalf of said Commission, bearing the date Sep- [fol. 83] tember 13, 1957, and returnable before Mr. Albert G. Seidman or said Charles E. Stroud, attorneys employed by said Federal Trade Commission, at the office of said Commission at the United States Court House, Foley

Square, New York, N. Y., and the specifications annexed thereto, defendant voluntarily furnished the said attorneys for the Commission over a period beginning October 7, 1957, through December 13, 1957, a large volume of additional documents, records, papers and instruments constituting a total of 213 separately marked exhibits, all in relation to said acquisitions of the stocks, or stocks and assets, of other corporations made by defendant since January 1, 1954;

(d) that in the stenographic transcript of the return of said subpoena duces tecum, at the last "hearing" thereof before said Commission's attorneys on December 13, 1957, the following was stated by said Mr. Seidman, attorney for the said Commission:

> "Mr. Seidman: It now appearing that with the exception of the census reports which will, when received, be furnished by mail, that the witness has fully responded to all specifications of the subpoena to the extent that the papers, documents and records requested were within his control, as Secretary of St. Regis Paper Company, this hearing is terminated • • • and Mr. Crawford is relieved from further obligation under the subpoena duces tecum subject to his furnishing the copies of the census reports, when received."
>
> (Whereupon, at 12:05 p.m., December 13, 1957, the hearing in the above-entitled matter was concluded.);

[fol. 84] (e) that thereafter, pursuant to a letter dated June 30, 1958 and the memorandum annexed thereto, signed by said Charles E. Stroud, an attorney employed by the Federal Trade Commission, New York Branch Office, addressed to defendant's counsel, defendant furnished additional information regarding the acquisition by defendant of the stocks, or stocks and assets, of other corporations since January 1, 1954, as requested by said attorney, excepting, among other things, however, the names and addresses of the 10 largest customers of defendant and of all other corporations whose stocks had theretofore been acquired by defendant, the dollar volume of sales to each such customer for the years 1955, 1956 and 1957 and the names and

addresses of suppliers of more than 5% of certain paperboard commodities purchased by defendant and said other corporations during said period;

(f) that in a conference with said attorney, Mr. Stroud, at the office of defendant's counsel in New York, defendant's counsel requested that the Commission's said attorney ascertain whether the Commission would be willing to accept, in lieu of the actual names and addresses of said 10 largest customers and said suppliers, designations of such customers and suppliers by symbols rather than actual names and addresses, for the reason that such actual names and addresses are confidential, and the disclosure thereof, especially for the purpose requested by the Commission's said attorney, namely to make verification of said sales and purchases by personal interviews with said customers and suppliers, would be harmful to defendant's relationship with said customers and said suppliers and might result in losses and reduction of sales and of losses [fol. 85] and reductions of supplies of various commodities required by defendant and said other corporations, but at no time thereafter has the Commission or its said attorney or any other representative of the Commission made answer to the inquiry made by defendant's counsel, as aforesaid;

(g) that thereafter defendant and its counsel furnished said Commission and its representative additional documents and records in connection with the Commission's investigation to determine whether any of the acquisitions by defendant of the stocks or stocks and assets of other corporations presented any question under Section 7 of the Clayton Act (15 U. S. C. §18);

(h) that all of the information has been furnished said Commission on a voluntary basis in accordance with the Commission's published rules and without any application to a United States District Court or any other court or other compulsory process for enforcement of compliance with the Commission's said subpoena duces tecum hereinabove mentioned;

(i) that on the basis of the documents, records and information previously furnished the Commission by de-

fendant, as aforesaid, the Commission could have reached a determination long prior to the adoption of the said resolutions, as annexed to said complaint, and prior to the commencement of this action, that none of the said acquisitions by defendant presented any question of violation of Section 7 of the Clayton Act;

(j) that promptly after the issuance by the Commission of its said resolution dated January 6, 1959, adopted without any prior notice to defendant or any opportunity [fol. 86] of defendant to be heard thereon, defendant, by its counsel, has made numerous motions and applications to set aside and vacate said resolutions and the further resolutions, copies of the pages of which, marked exhibits "M-1", "M-2", "N-1", and "N-2" are annexed to the complaint and entitled "Notice of Default to St. Regis Paper Company", on the ground that said resolutions and orders (letters) pursuant thereto are repetitious, unreasonable and contrary to law, and that said notices of default are without any legal validity, all as set forth in a series of letters, motions, petitions and briefs written and submitted to said Commission during the period subsequent to the receipt of a copy of the Commission's said resolution of January 6, 1959 and letters in the form of "orders" dated January 9, 1959, requiring special reports pursuant to Section 6(b) of the Federal Trade Commission Act;

(k) that all of said motions and applications have been denied by the Commission without granting defendant any opportunity for a hearing, and that, in addition, defendant's requests for conferences with representatives of the Commission to have determined amicably the legal question involved have been unavailing, all as appears from the extensive correspondence between defendant's counsel and the Commission during said period, down to and including the most recent letter dated September 10, 1959 to the Honorable Daniel J. McCauley, Jr., General Counsel of the Federal Trade Commission, reference to all of which is hereby made for a fuller and complete statement thereof; and

(l) that, in the circumstances, the claim attempted to be stated in Count One of the complaint is without any

[fol. 87] merit whatsoever and states no grounds for the granting of equitable relief whether by mandatory injunction or otherwise against defendant.

18. *As and for a sixth, separate and complete affirmative defense* to each and every claim alleged in the complaint herein, defendant alleges that the said resolutions adopted by the Commission and the "orders" issued thereon show upon their face that they are not intended as special reports to furnish to the Commission information "as to the organization, business, conduct, practices, management, and relation [of the defendant] to other corporations, partnerships, and individuals * * *" as intended by said Section 6(b) of the Federal Trade Commission Act, but on the contrary are intended as reports to enable the Commission to enforce compliance with the provisions of Section 7 of the Clayton Act (15 U. S. C. §18) and are therefore outside the intent of Congress in enacting said Section 6(b) of the Federal Trade Commission Act.

19. *As and for a seventh, separate and complete affirmative defense* to the claims alleged in the complaint, defendant alleges, on information and belief, that in the administration and the enforcement of the provisions of said Section 7 of the Clayton Act by the Commission, the authority and powers of the Commission are specifically prescribed by the provisions of said Clayton Act and do not include a power to require special written reports or answers in writing to specific requests, as demanded by the Commission as aforesaid.

20. *As and for an eighth, separate and complete affirmative defense* to each of the claims alleged in the complaint, [fol. 88] defendant alleges, on information and belief, that, as appears from the legislative history of Section 6(a) and (b) of the Federal Trade Commission Act and the words used in said sections, said sections were intended to relate to annual and special reports from corporations to obtain information regarding the "organization, business, conduct, practices, and management" of corporations in interstate commerce and their "relations to other corporations and to individuals, associations and partnerships" for the pur-

pose of making economic investigations; that other provisions of said Section 6, namely, subdivisions (c), (d) and (e), by their express terms, confer a power upon the Commission relating to investigations of alleged violations of any of the antitrust acts, one of which is the Clayton Act, upon the direction of the President or either House of Congress (as provided in subdivision (d)), to investigate whether a final decree entered against a defendant in a suit by the United States to prevent and restrain any violation of the antitrust acts of the manner in which the decree has been or is being carried out, either on the initiation of the Commission or upon the application of the Attorney General (as provided in subdivision (c)); and also on the application of the Attorney General, to investigate and make recommendations for the readjustment of the business of any corporation alleged to be violating any antitrust acts in order that the corporation may thereafter maintain its organization, management, and conduct of business in accordance with law (as provided in subdivision (e)); that such specific provisions in (c), (d) and (e) and the omission of any reference in said subdivisions (a) and (b) of said Section 6 to the antitrust acts, including the Clayton Act, exclude from the Commission powers any [fol. 89] power to require special reports from defendant and its said subsidiary under subdivision (b) of said Section 6 of the Federal Trade Commission Act.

21. *As and for a ninth, separate and partial defense* to the claim asserted in Count Two of the complaint, defendant alleges, on information and belief, that assuming *arguendo* the Commission may lawfully require special reports from defendant pursuant to said Section 6(b) of the Federal Trade Commission Act and that plaintiff may claim a default under said Section 10 of the Federal Trade Commission Act for failure to furnish said reports, both of which claims are denied by defendant, by issuing two separate alleged notices of default and causing the same to be served upon defendant and claiming two separate alleged defaults for such alleged failure, plaintiff has improperly and unlawfully claimed two separate defaults and penalties at the rate of $100 per day for each and every

day of each such alleged default, whereas, conceding *arguendo*, but not admitting plaintiff's right to claim a default, such claim may not properly be subdivided into more than one separate and distinct default and plaintiff may not claim more than one penalty therefor, and that in claiming two separate defaults and two separate penalties plaintiff has oppressively, unreasonably and improperly attempted to enlarge the amount of any penalties which, conceding *arguendo*, but not admitting plaintiff's right thereto, may be claimed against this defendant.

Wherefore, defendant St. Regis Paper Company demands judgment herein, dismissing the complaint and each of the two separate counts alleged therein and granting [fol. 90] defendant such other, further, different and additional relief, together with the costs and disbursements of this action, as may be just and proper.

LeBoeuf, Lamb & Leiby, Attorneys for Defendant, St. Regis Paper Company, 15 Broad Street, New York 5, N. Y., By Horace R. Lamb, A Member of Said Firm.

[fol. 91]

IN UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

STIPULATION OF FACTS AND PRE-TRIAL ORDER—
January 22, 1960

The following facts are hereby stipulated by the parties hereto for the purpose of the trial of the action herein, subject to all pertinent objections to admissibility which may be interposed at the trial:

1. That on September 7, 1956, defendant St. Regis Paper Company ("St. Regis") received a letter dated September 7, 1956, from the Federal Trade Commission ("Commission"), signed by Charles E. Stroud, Attorney in the New York Office of the Commission. A true copy of said letter is annexed hereto as Exhibit 1, and a true copy of a letter dated September 7, 1956, signed by Homer Crawford, Secretary of St. Regis, acknowledging receipt of the Com-

mission's letter dated September 7, 1956, is annexed hereto as Exhibit 2.

2. That subsequent to September 7, 1956, Mr. Horace R. Lamb, counsel for St. Regis, called Mr. Frank C. Hale, Legal Adviser, Bureau of Investigation of the Commission, by telephone, and requested a conference. Pursuant to arrangements made during said telephone call, Mr. Lamb on September 25, 1956, conferred with Mr. Hale, Mr. Edward T. Widmann, Project Attorney, and Miss Edna Knopp, Economist, Bureau of Investigation of the Commission, in the offices of the Commission in Washington, D. C.

3. That in the course of said conference, Mr. Lamb discussed the history and business of St. Regis and the ac- [fol. 92] quisitions by St. Regis of the stocks and/or assets of various corporations. Mr. Lamb exhibited to the conferees registration statements which had been filed by St. Regis with the Securities and Exchange Commission and pointed out that said registration statements contained descriptions of the business and operations of some of the corporations whose stock had been acquired by St. Regis.

4. That during said conference, Mr. Lamb stated that each of the acquisitions by St. Regis had been examined by counsel for St. Regis and by counsel for the acquired corporations with a view to determining whether a violation of Section 7 of the Clayton Act, as amended, may be involved, and that they had concluded that no violation of said Act was involved.

5. That at said conference, Mr. Lamb was told that schedules or reports submitted by St. Regis and the acquired corporations to the Bureau of the Census for specified years would be accepted in lieu of the data requested in Items 6, 8, 9 and 10 of the letter to St. Regis referred to in paragraph 1 hereof, and that said copies of schedules or reports and all the other information and material requested in said letter should be submitted to Mr. Stroud. At the conclusion of said conference it was the impression of the representatives of the Commission who were present

that St. Regis would furnish the requested information and material.

6. That between September 25, 1956, and January 28, 1957, there were several telephone conversations relating to the status of the said request for information and material between Mr. Lamb and different members of the Commission's staff.

[fol. 93] 7. That on January 28, 1957, a conference attended by Mr. Lamb; Mr. Harold F. Stevens, Assistant Comptroller, St. Regis; Mr. Stroud, and Miss Knopp, was held in the offices of LeBoeuf, Lamb & Leiby, 15 Broad Street, New York, New York. During said conference the following described documents were delivered to Mr. Stroud:

(a) Prospectus of St. Regis Paper Co., dated February 16, 1954, relating to an issue of stock being offered in exchange for stock of Superior Paper Company (January 28, 1957).

(b) Prospectus of St. Regis Paper Co., dated May 26, 1955, relating to an issue of stock being offered in exchange for the stock of Pollock Paper Co. (January 28, 1957).

(c) Prospectus of St. Regis Paper Co., dated July 27, 1955, relating to an issue of stock being offered in exchange for the stock of General Container Corporation (January 28, 1957).

(d) Prospectus of St. Regis Paper Co., dated March 15, 1956, relating to an issue of stock being offered in exchange for the stock of Rhinelander Paper Company (January 28, 1957).

(e) Annual Report, St. Regis Paper Company, 1954 (January 28, 1957).

(f) Annual Report, St. Regis Paper Company, 1955 (January 28, 1957).

(g) Annual Report, Rhinelander Paper Company, 1955 (January 28, 1957).

[fol. 94] 8. That at the said conference on January 28, 1957, it was agreed that, in lieu of providing copies of reports filed with the Bureau of the Census, Mr. Stevens would attempt to assemble copies of the reports submitted to the Bureau of the Census by specified companies and thereafter make such copies of reports available to a representative of the Commission for examination and tabulation.

9. That on March 12, 1957, Mr. Stroud called Mr. Lamb by telephone and inquired as to the status of the request of J. Neils referred to as Exhibits 4, 5, 7 and 8 hereto and that Mr. Lamb said that the information and material assembled by officials of J. Neils had been turned over to him but that he desired to examine and revise the data before submitting same to the Commission. That on March 13, 1957, at a conference in Mr. Lamb's office, Mr. Stroud was furnished a copy of a prospectus of St. Regis dated November 19, 1956, relating to an issue of stock offered in exchange for the stock of J. Neils.

10. That on February 26, 27 and 28, 1957, Mr. William S. Opdyke, Accountant, Bureau of Investigation of the Commission, inspected at the offices of LeBoeuf, Lamb & Leiby, in New York City, the following schedules from St. Regis' Census of Manufacturers Reports:

Census Schedule Number	Plant or Division
MC - 26-A	Jacksonville Pulp Mill, Jacksonville, Florida.
MC - 26-A	Pensacola Pulp Mill, Pensacola, Florida.
MC - 26-A	Tacoma Pulp Mill, Tacoma, Washington.
MC - 26-A	Deferiet Pulp Mill, New York.
MC - 26-A	Sartell Pulp Mill, Minnesota.
MC - 26-A	Bucksport Pulp Mill, Maine.
[fol. 95]	
MC - 26-A	Rhinelander Paper Company, Wisconsin.
MC - 26-B	Watertown Paper Mill, New York.
MC - 26-B	Tacoma Paper and Board Mill, Washington.
MC - 26-B	Pensacola Paper and Board Mill, Florida.
MC - 26-B	Jacksonville Paper & Board Mill, Florida.
MC - 26-B	Carthage Paper Mill, New York.
MC - 26-B	Herrings Paper Mill, New York.
MC - 26-B	East Pepperell Mill, Massachusetts.

Census Schedule Number	Plant or Division
MC - 26-B	Bucksport Paper Mill, Maine.
MC - 26-B	Deferiet Paper Mill, New York.
MC - 26-B	Sartell Paper Mill, Minnesota.
MC - 26-B	Kalamazoo Paper Mill, Michigan.
MC - 26-C	Superior Paper Products Company, Mt. Wolf, Penna.
MC - 26-C	Superior Paper Products Company, Pittsburgh, Penna.
MC - 26-C	Rhinelander Paper Company, Rhinelander, Wisconsin.
MC - 26-C	Pensacola Bag Plant, Pensacola, Florida.
MC - 26-C	Tacoma Bag Plant, Tacoma, Washington.
MC - 26-C	Los Angeles Bag Plant, Los Angeles, California.
MC - 26-C	Nazareth Bag Plant, Nazareth, Pennsylvania.
MC - 26-C	Toledo Bag Plant, Toledo, Ohio.
MC - 26-C	San Leandro Bag Plant, San Leandro, California.
MC - 26-C	Franklin Bag Plant, Franklin, Virginia.
MC - 39-J	Panelyte Molded Plastics Company, Cambridge, Ohio.
MC - 39-J	Trenton Plastics Plant, Trenton, New Jersey.
MC - 39-J	Kalamazoo Plastics Plant, Kalamazoo, Michigan.
MC - 16-B	Rhinelander Paper Company, Rhinelander, Wisconsin.

11. That Exhibits 1 to 12 annexed hereto are true copies of all correspondence and telegrams between St. Regis Paper Company, its counsel, its acquired companies and their counsel on the one hand, and the Commission and its staff on the other hand, between September 7, 1956, and September 16, 1957.

[fol. 96] 12. That on September 16, 1957, the Commission served on Mr. Homer Crawford, Secretary of St. Regis, a subpoena duces tecum returnable before Albert G. Seidman, or Charles E. Stroud at the office of the Federal Trade Commission, U. S. Court House, Foley Square, New York,

New York, on September 27, 1957. A true copy of said subpoena is annexed hereto as Exhibit 13.

13. That by letter dated September 25, 1957, which was received by the Commission on September 27, 1957, St. Regis filed with the Commission a motion to recall, quash and set aside the said subpoena. Said motion was denied by order of the Commission dated October 1, 1957, in which order the return date of the said subpoena was extended to October 7, 1957. True copies of St. Regis' motion papers, and the Commission's orders relating to such motion, are annexed hereto as Exhibits 14 through 16.

14. That on October 7, 1957, October 15, 1957, November 22, 1957, and December 13, 1957, in response to said subpoena duces tecum, Mr. Homer Crawford appeared with counsel, Mr. Horace R. Lamb, before Mr. Albert G. Seidman at the office of the Commission, Room 2904, U. S. Court House, New York, New York. A transcript of the proceedings held on said dates is annexed as Exhibit 17.

15. That in the course of the proceedings on October 7, 1957, October 15, 1957, November 22, 1957 and December 13, 1957, and as enclosures to his letters of October 29 and 30, and November 7, 1957, Mr. Crawford delivered to Mr. Seidman the following Exhibits.

1. Copy of resolutions adopted by the St. Regis Board of Directors at its meeting on April 8, 1955. Eight [fol. 97] pages in length. Resolutions relate to acquisition of Pollock Paper Corp. [Ex. 1]

2. Copy of resolutions adopted by the St. Regis Board of Directors at its meeting on Jan. 25, 1956. Five pages in length. Resolutions relate to the acquisition of Rhinelander Paper Co. [Ex. 2]

3. Extracts from minutes of St. Regis Board of Directors' meeting held Feb. 15, 1956. Three pages in length. These minutes relate to the acquisition of Pacific Waxed Paper Co. [Ex. 3]

4. Certified copies of resolutions adopted by the Board of Directors of St. Regis at meetings held Oct. 17, and Nov. 19, 1956. Five pages in length. These resolu-

tions relate to the acquisition of J. Neils Lumber Co. [Ex. 4]

5. Certified copy of resolutions adopted by the Board of Directors of St. Regis Paper Co., at meetings held Jan. 23, and Feb. 20, 1957. Ten pages in length. These resolutions relate to (1) the acquisition of St. Paul & Tacoma Lumber Co., and (2) the steps necessary for St. Regis securities to be sold in California. [Ex. 5]

6. Agreement dated Dec. 14, 1955, between St. Regis Paper Co. and stockholders of The Gummed Products Co., providing for exchange of stock of the latter company for St. Regis stock. [Ex. 6]

7. Agreement dated March 29, 1956, between St. Regis Paper Co., and stockholders of Pacific Waxed Paper Co. providing for exchange of stock of the latter company for St. Regis' stock. [Ex. 7]

[fol. 98] 8. Offer by St. Regis Paper Co. to exchange stock with certain stockholders of the Pacific Waxed Paper Company. [Ex. 8]

9. Letter agreement between St. Regis Paper Co. and Everett G. Griggs, II, dated Dec. 18, 1956, whereby Mr. Griggs gave St. Regis an option to exchange St. Regis common stock for common stock of St. Paul—Tacoma Lumber Co. [Ex. 9]

10. Registration statement of St. Regis Paper Co., filed with the S.E.C. on April 1, 1957, relating to an issue of stock being offered in exchange for the stock of St. Paul and Tacoma Lumber Company. [Ex. 10]

11. Amendment No. 1, filed 6/19/57, of S.E.C. Registration Statement Form S-1, registered by St. Regis Paper Company, relating to an issue of stock being offered in exchange for the stock of St. Paul and Tacoma Lumber Company. [Ex. 11]

12. Prospectus of St. Regis Paper Co. dated June 24, 1957, relating to an issue of stock being offered in

exchange for the stock of St. Paul and Tacoma Lumber Co. [Ex. 12]

13. Certified copy of extract from minutes of meeting of St. Regis Board of Directors held on Dec. 14, 1955 relating to the acquisition of Gummed Products Co. [Ex. 13]

14. Copy of interoffice memorandum prepared by officials of St. Regis relating to the acquisition of St. Paul-Tacoma Lumber Company. [Ex. 14]

[fol. 99] 15. Letter from Paul M. Dunn to R. K. Ferguson dated April 4, 1956, relating to "Timber and Pulpwood resources Analysis" of St. Paul-Tacoma Lumber Co. prepared by Cloverdale & Colpitts. [Ex. 15]

16. Copy of an inter-company "Report on St. Paul-Tacoma Lumber Company", prepared by R. L. DeLong and addressed to R. K. Ferguson. [Ex. 16]

17. Letter from Richard A. Rave to R. L. DeLong, dated Aug. 15, 1956, entitled "Old Growth Timber Volumes on St. Paul-Tacoma Lumber Company's Lands", with attached "Table Showing Old Growth Timber Volumes on St. Paul-Tacoma Lumber Company Lands". [Ex. 17]

18. Data taken from the Cloverdale & Colpitts analysis of St. Paul-Tacoma Lumber Company's timber resources. [Ex. 18]

19. Annual Reports of St. Regis Paper Co. for the following years: 1950, 1951, 1952, 1953, 1954, 1955 and 1956. [Exs. 19-25]

20. Balance Sheets and Statements of profits and Loss and Earned Surplus, Pollock Paper Corp., by certified public accountants, for the following years: 1950, 1951, 1952, 1953, 1954, 1955 and 1956. [Exs. 26-32]

21. Financial statements for the Gummed Products Co. by certified public accountants, for the years 1950, 1951, 1952, 1953, 1954, 1955 and 1956. [Exs. 33-39]

22. Annual reports, Rhinelander Paper Co., for the following years: 1950, 1951, 1952, 1953, 1954 and 1955. [Exs. 40-45]

[fol. 100] 23. Consolidated Balance Sheets, Statement of consolidated earnings, statement of consolidated accumulated earnings, Rhinelander Paper Co. for 15 months ending Dec. 31, 1956. [Ex. 46]

24. Balance Sheets, and Statement of Income and Surplus, J. Neils Lumber Co., for the following years: 1950, 1951, 1952, 1953, 1954, 1955 and 1956. [Exs. 47-53]

25. Clothbound, looseleaf book relating to various types of multiwall bags produced by St. Regis Paper Co. [Ex. 54]

26. 21 exhibits comprising product samples of the various types of paper produced by St. Regis Paper Co. [Exs. 55-75]

27. 38 exhibits consisting of product samples and advertising or descriptive materials relating to paper products and other types of products manufactured by St. Regis Paper Co. [Exs. 76-112]

28. Address delivered by Folke Becker, Chairman of the Board of Rhinelander Paper Co., before the New York Society of Security Analysts, Oct. 3, 1955. [Ex. 113]

29. Brochures containing advertising material inserted in various publications in 1954, 1955, and 1956 by Rhinelander Paper Co.; catalogs of Rhinelander Paper Company products. [Exs. 114-118]

30. Brochures and advertising catalogs for The Gummed Products Company [Exs. 119-131]

[fol. 101] 31. Advertising publication, with pictures, concerning logging operations of J. Neils Lumber Co. [Ex. 132]

32. Printed advertising materials for the forest products of J. Neils Lumber Company. [Exs. 133-139]

33. Letter dated Oct. 11, 1957, from the president of Pollock Paper Corp. to Mr. H. F. Stevens of St. Regis Paper Co. The letter appears to be in response to a request by St. Regis for certain information which was to be passed along to the FTC. [Ex. 140]

34. Exhibit presenting expenditures for "Research & Development" and for "Advertising & Sales Promotion" for St. Regis Paper Co. in 1954, 1955 and 1956. Expenditures in each class are related to designated production divisions of St. Regis Paper Co. [Ex. 141]

35. Exhibit entitled "Specification Number 12—FTC Hearing" and shows the dollar value of sales by St. Regis to the following companies in 1956: Pacific Waxed Paper Co.; Pollock Paper Corp.; Gummed Products Co.; Rhinelander Paper Co.; J. Neils Lumber Co.; and St. Paul-Tacoma Lumber Co. [Ex. 142]

36. Exhibit showing sales of "waxing stock 18% and up" and "glassine and greaseproof" by Rhinelander Paper Co., and its subsidiaries to St. Regis Paper Co., and its subsidiaries in 1955 and 1956. [Ex. 143]

37. Exhibit showing total purchases of specific products from St. Regis and subsidiaries of Pollock Paper [fol. 102] Corp. in 1954 and in 1956; and sales by Pollock to St. Regis and its subsidiaries in 1954 and in 1956, by product. [Ex. 144]

38. Exhibit showing sales of particular products by The Gummed Products Co. to St. Regis and its subsidiaries in 1955 and in 1956. [Ex. 145]

39. Letter from J. M. Lamb to W. R. Adams, dated Sept. 27, 1955, evaluating certain timber properties, and requesting authorization to meet the highest bid for the property. [Ex. 146]

40. Agreement for the purchase by St. Regis of certain timberlands located in King County, Washington state, from the owner, Buffelen Mfg. Co. [Ex. 147]

41. Report dated Nov. 20, 1953, addressed to C. G. Armstrong & Co., Inc., signed by David T. Mason and Karl D. Hense. [Ex. 148]

42. Exhibit relating to timber acreage held by St. Regis in Washington state. [Ex. 149]

43. Exhibit analyzing the timber and land resources, in and around the areas where J. Neils Lumber Co. operated (Montana). Data is also presented as to the plant, properties, and policies of J. Neils Lumber Co. [Ex. 150]

44. Statement by the president of The Gummed Products Co. furnished "for the purpose of satisfying the requirements of the Committee on Stock List of the New York Stock Exhange" and containing information describing the product lines and operations of the subject company. [Ex. 151]

[fol. 103] 45. Letter agreement between St. Regis Paper Co., and Paul Neils, providing for the exchange of St. Regis common stock for common stock in J. Neils Lumber Company. [Ex. 152]

46. Agreement between St. Regis Paper Co. and various stockholders of the Pollock Paper Co., providing for the exchange of Pollock stock for St. Regis stock. An accountant's report with a balance sheet and certain other data as to Pollock's operations included. [Ex. 153]

47. Annual Reports of the St. Paul-Tacoma Lumber Co. for the following years: 1950, 1951, 1952, 1953, 1954, 1955. (Printed copies). [Exs. 154-159]

48. Annual Reports of the St. Paul-Tacoma Lumber Co. for the following years 1950, 1951, 1952, 1953, 1954, 1955. (Dittoed copies). [Exs. 160-166]

49. Product catalogs of the St. Paul and Tacoma Lumber Company. [Ex. 167]

50. A statement of amount and value of products sold to St. Regis by St. Paul-Tacoma Lumber Co. in 1956 and during the twelve months prior to acquisition. [Ex. 168]

51. A list of U. S. and Canadian patents owned by Rhinelander Paper Co., with patent numbers, names of inventors, dates of issuance, and expiration dates. [Ex. 169]

52. A letter from J. R. Fenneman, Treas., of Rhinelander Paper Co. to Homer Crawford, Secretary of St. Regis Paper Co., dated Oct. 23, 1957, transmitting a list of [fol. 104] patents owned by Rhinelander Paper Company. [Ex. 170]

53. A letter from the president of J. Neils Lumber Co. to Homer Crawford of St. Regis stating that J. Neils owned no patents nor was party to any patent licenses as of Oct. 25, 1957, the date of the letter. [Ex. 171]

54. Patent license covering patents relating to methods and machinery for manufacturing paper bags, executed between St. Regis as licensor and 18 separate licensees. List of names of 18 Licensees. [Exs. 172-173]

55. An offer dated March 30, 1957, from St. Regis to holders of common stock of Pacific Waxed Paper Co. offering to exchange St. Regis stock for Pacific Waxed Paper Stock. [Ex. 174]

56. A printed form to be used by stockholders of Pacific Waxed Paper Co. desiring to accept St. Regis' stock exchange offer, described in Paragraph 55. [Ex. 175]

57. A form letter dated April 18, 1956, from St. Regis to holders of stock in Pacific Waxed Paper Co., extending the period of time to accept the offer to exchange Pacific Waxed Paper stock for St. Regis stock. [Ex. 176]

58. A form letter dated May 17, 1956, extending the time period still further in which stockholders of Pacific Waxed Paper Co. could exchange their stock for St. Regis stock. [Ex. 177]

[fol. 105] 59. A form letter dated May 17, 1956, mailed to a few stockholders of Pacific Waxed Paper Co. who failed to receive previous offers by St. Regis to exchange stock. [Ex. 178]

60. An unexecuted copy of a contractual agreement between Weyerhaeuser Timber Co. and R-W Paper Co., providing for R-W to purchase chemical wood pulp from Weyerhaeuser. [Ex. 179]

61. An executed copy of an agreement between Rhinelander Paper Co. and Weyerhaeuser Timber Co., providing for establishment of a jointly owned glassine and greaseproof paper company on the West Coast. [Ex. 180]

62. Excerpts from the Executive Committee meeting of St. Regis Paper Co., dated September 21, 1956, authorizing the president of St. Regis to make an offer for the acquisition of J. Neils Lumber Co. [Ex. 181]

63. Excerpts from the Board of Directors meeting of St. Regis Paper Co. on Sept. 19, 1956. This excerpt is concerned with acquisition by St. Regis of J. Neils Lumber Company. [Ex. 182]

64. A list of patents owned by The Gummed Products Co., with description, date of issuance and number of each patent. [Ex. 183]

65. A list of the patents and trademarks owned by Pollock Paper Corp. Also a statement that Pacific Waxed Paper Co. had no patents. [Ex. 184]

[fol. 106] 66. An agreement whereby domestic and foreign patents relating to a particular adhesive invention were licensed by Gummed Products Co., the owner of these patents, to Lake State Yeast Corp. [Ex. 185]

67. Agreement whereby West Fork Timber Co. sold certain timberlands to St. Regis Paper Co., dated December 9, 1943. [Ex. 186]

68. A letter from the president of J. Neils Lumber Co. to his company's employees, informing them that J. Neils would merge with St. Regis. [Ex. 187]

69. Accountants' statements of the Balance Sheet and related statements of income and earned surplus of Pacific Waxed Paper Co. for each of the following years: 1950, 1951, 1952, 1953, 1954, 1955 and 1956. [Exs. 188-194]

70. Letter dated Nov. 4, 1957, from Maxwell R. Conklin, Chief, Industry Division, Bureau of the Census, replying to a request from J. H. Fenneman, Treasurer of Rhinelander Paper Company. [Ex. 195]

71. Letter dated June 12, 1956 from Maxwell R. Conklin, Chief of the Industry Div., Bureau of the Census, to Rhinelander Paper Co., discussing Census Schedules filed by Rhinelander. [Ex. 196]

72. Photocopy of Bureau of the Census Form MC-26A, PULP (Wood and Other Fiber), as completed and submitted to the Census Bureau by Rhinelander Paper Co., Pulp Mill. For 1954. [Ex. 197]

73. Photocopy of Bureau of the Census Form MC-26B, PRIMARY PAPER AND BOARD, as submitted to the Bureau [fol. 107] of the Census by Rhinelander Paper Co., Paper Division, for 1954. [Ex. 198]

74. Photocopy of Bureau of the Census Form MC-26C, CONVERTED PAPER AND BOARD PRODUCTS, as submitted to the Bureau by Rhinelander Paper Co., converting Division, 1954. [Ex. 199]

75. A memorandum dated Nov. 14, 1957, indicating purchases by Pacific Waxed Paper Co., from Rhinelander & Pollock Paper Co., during certain months in 1956. [Ex. 200]

76. Photocopy of letter dated Nov. 13, 1957, from Maxwell R. Conklin, Chief, Industry Div., Bureau of Census, to L. S. Pelling, Pres. of Pacific Waxed Paper Co., sending a photocopy to the company of its 1954 Census of Manufactures report on Form MC-26A. [Ex. 201]

77. Photocopy of Census Form MC-26C, CONVERTED PAPER & BOARD PRODUCTS, as submitted to the Bureau of Census by Pacific Waxed Paper Co., for 1954. [Ex. 202]

78. Photocopy of Bureau of the Census Form MC-26B, PRIMARY PAPER AND BOARD, as submitted to the Bureau by Pollock Paper Corp. for 1954. [Ex. 203]

79. Photocopy of Bureau of the Census Form MC-26C, CONVERTED PAPER & BOARD PRODUCTS, as submitted to the Bureau by Ft. Worth Paper Co., for 1954. [Ex. 204]

80. Photocopy of Bureau of the Census Form MC-26C, CONVERTED PAPER & BOARD PRODUCTS, as submitted to [fol. 108] the Bureau by Mayflower Manufacturing Company, for 1954. [Ex. 205]

81. Photocopy of Bureau of the Census Form MC-26C, CONVERTED PAPER & BOARD PRODUCTS, as submitted to the Bureau by Pollock Paper Corp., for 1954 [Ex. 206]

82. Photocopy of Bureau of the Census Form MC-26C, CONVERTED PAPER & BOARD PRODUCTS, as submitted to the Bureau by Pollock Paper Corp., for 1954. [Ex. 207]

83. Photocopy of Bureau of the Census Form MC-26C, CONVERTED PAPER & BOARD PRODUCTS, as submitted to the Bureau by Pollock Paper Corp., for 1954. [Ex. 208]

84. Photocopy of Bureau of the Census Form MC-26C, CONVERTED PAPER & BOARD PRODUCTS, as submitted to the Bureau by Pollock Paper Corp., for 1954. [Ex. 209]

85. Photocopy of Bureau of the Census Form MC-26C, CONVERTED PAPER & BOARD PRODUCTS, as submitted to the Bureau by Pollock Paper Corp., for 1954. [Ex. 210]

86. Photocopy of Bureau of the Census Form MC-26C, CONVERTED PAPER & BOARD PRODUCTS, as submitted to the Bureau by Pollock Paper Corp., for 1954. [Ex. 211]

87. Photocopy of Bureau of the Census Form MC-26C, CONVERTED PAPER & BOARD PRODUCTS, as submitted to the Bureau by Pollock Paper Corp., for 1954. [Ex. 212]

[fol. 109] 88. A three-page typewritten statement by Homer Crawford as to why certain data as to the operations of R-W Paper Co. cannot be furnished to the Commission, and that in Mr. Crawford's opinion, all relevant information relating to Item 4 of the FTC *subpoena duces tecum* has been supplied to the Commission. [Ex. 213]

16. That Exhibits 18 to 29 annexed hereto are true copies of all correspondence and telegrams between St. Regis Paper Company, its counsel, its acquired companies and their counsel on the one hand, and the Commission and its staff on the other hand, between September 17, 1957, and June 30, 1958.

17. That the Commission, by letter dated June 30, 1958, signed by Mr. Stroud, requested counsel for St. Regis, who received the letter on July 1, 1958, to furnish the information and material described in a "Memorandum of Request for Information" attached to said letter. A copy of said letter and attachment is annexed hereto as Exhibit 30.

18. That on October 9, 1958, Mr. Stroud met with Mr. Lamb, Mr. Richard Wachtel, and Mr. Douglas Hawes, at the office of LeBoeuf, Lamb & Leiby in New York City. During said meeting Mr. Lamb inquired as to whether the Commission would accept, in lieu of the actual names and addresses of customers and suppliers, designations of such customers and suppliers by symbols, such as "Customer A", "Customer B", etc. Mr. Lamb said that the object of such a plan would be to furnish the information necessary [fol. 110] for the Commission's investigation without disclosing information which he considered to be confidential. Mr. Stroud advised Mr. Lamb that the names of customers and suppliers, which had been requested in his letter of June 30, 1958, were required in order to determine the probable effects of each acquisition through personal interviews with such customers and suppliers. Mr. Stroud advised Mr. Lamb that the Commission would not accept the information in this form and inquired of Mr. Lamb as to whether or not he would furnish the requested information. Mr. Lamb stated that St. Regis officials did not feel that they should be required to furnish this information to the

Commission. After further discussion, although Mr. Lamb stated he would again take up the matter of the Commission's request for this information with officials of St. Regis who were located in various parts of the country and would attempt in the next month or two to furnish all the information he could to Mr. Stroud, he asked that his request be referred to Mr. Stroud's Washington office. Mr. Lamb received the impression that this would be done. Mr. Stroud was of the opinion that he had answered the question by his previous statement that this would be unacceptable and that no further response was warranted at that time or thereafter.

19. That between June 30, 1958, and January 5, 1959, counsel for St. Regis voluntarily furnished the Commission with the following documents (dates in brackets indicate the date received by the Commission):

(a) Annual Report of St. Regis Paper Company for 1957 [July 10, 1958].

[fol. 111] (b) Prospectus of St. Regis Paper Co. dated August 7, 1958, relating to an issue of stock being offered in exchange for the stock of Growers Container Corporation [August 12, 1958].

20. That Exhibits 31 to 46 annexed hereto are true copies of all correspondence and telegrams between St. Regis Paper Company, its counsel, its acquired companies and their counsel on the one hand, and the Commission and its staff on the other hand, between July 1, 1958 and January 5, 1959.

21. That on January 6, 1959, the Commission adopted a resolution, a copy of which is annexed to the complaint herein as Exhibit A thereto, and on January 9, 1959, made orders, copies of which are annexed to the complaint herein as Exhibits B through G thereto.

22. That on June 4, 1959, the Commission adopted a resolution, a copy of which is annexed to the complaint herein as Exhibit I thereto, and on June 8, 1959, made orders, copies of which are annexed to the complaint as Exhibits J through L thereto.

23. That Exhibits 47 to 64 annexed hereto are true copies of all of St. Regis' motion papers, briefs and memoranda of law, and all Commission orders, Commission resolutions, Commission opinions and Commission notices of default (except Exhibits A through N to the complaint in this matter) relating to this matter filed or issued during the period January 6, 1959, to the date of this stipulation.

[fol. 112] 24. That Exhibits A through N to the complaint in this matter are true copies of Commission resolutions, Commission orders and Commission notices of default, and are incorporated herein and made a part hereof by this reference thereto.

25. That Exhibits 65 to 122 annexed hereto are true copies of all correspondence and telegrams between St. Regis Paper Company, its counsel, its acquired companies and their counsel, on the one hand, and the Commission and its staff on the other hand, between January 6, 1959, to the date of this stipulation.

26. That between January 6, 1959, and the date of this stipulation, counsel for St. Regis voluntarily furnished the Commission with the following documents (dates in brackets indicate the date received by the Commission):

(a) Prospectus of St. Regis Paper Co. dated December 30, 1958, relating to an issue of stock being offered in exchange for the stock of F. J. Kress Box Company [January 21, 1959].

(b) Agreement dated December 1, 1958, between shareholders of F. J. Kress Box Company and the St. Regis Paper Company [January 21, 1959].

(c) Agreement between St. Regis & H. E. Tenzler providing for exchange of St. Regis stock for all au-
[fol. 113] thorized stock of Northwest Door Co.; balance sheet of Northwest Door Co., dated September 30, 1958 (Exhibit "A"); letter dated November 25, 1958, from Carlson, Newlands & Rhea to St. Regis Paper Company [February 3, 1959].

(d) St. Regis Annual Report, 1958 [March 23, 1959].

(e) Prospectus of St. Regis Paper Company dated May 7, 1959, relating to an issue of stock being offered in exchange for the stock of Cupples-Hesse Corporation [June 19, 1959].

(f) Prospectus of St. Regis Paper Company dated October 14, 1959, relating to the acquisition of the stock of Cornell Paperboard Products Company [October 27, 1959].

27. That the Commission resolutions, Commission orders, Commission opinions and Commission notices of default referred to in paragraphs 21, 22, 23 and 24 of this stipulation were duly served on the corporations to whom they were directed or addressed, all of which were duly received by defendant or its counsel. The Notices of Default dated June 18, 1959, and July 22, 1959, annexed to the complaint as Exhibits M and N thereto, were served on St. Regis by registered mail on June 20, 1959 and July 24, 1959, respectively.

28. That the documents described in paragraphs 7, 9, 15, 19 and 26 hereof constitute all of the documents submitted to the Commission by St. Regis between September 7, 1956 and the date of this stipulation.

[fol. 114] 29. That the documents described in paragraphs 7, 9, 15, 19 and 26 hereof are in the possession of the Commission at Washington, D. C., and the fact of their submission and the contents thereof may be referred to in the briefs and in oral argument. These documents or true copies thereof will be furnished to the Court upon its request or direction.

30. Only those documents which are furnished to the Court pursuant to its request or direction and those documents which are offered by either party and admitted in evidence will be included in any record on appeal.

S. Hazard Gillespie, Jr., Attorney for Plaintiff.

LeBoeuf, Lamb & Leiby, Attorney for Defendant.

Dated: January 22, 1960.

[fol. 114a]

IN UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF NEW YORK

EXCERPTS FROM EXHIBITS TO STIPULATION (DISTRICT COURT EXHIBIT 1A) SUBMITTED BY UNITED STATES ATTORNEY

[fol. 115]

EXHIBIT 1

FEDERAL TRADE COMMISSION

WASHINGTON 25

New York Branch Office:
U. S. Court House,
Foley Square
New York 7, N. Y.

September 7, 1956.

St. Regis Paper Company,
150 East 42nd Street,
New York, New York.

In re: Our File No. 5510696,
St. Regis Paper Company.

Gentlemen:

The above-captioned file has been forwarded to the New York Office of the Federal Trade Commission with instructions to investigate the acquisitions of the stock and/or assets of

(1) Rhinelander Paper Company;

(2) Pacific Waxed Paper Company;

(3) Pollock Paper Corporation;

(4) Growers Container Corporation;

(5) Chester Packaging Products Corporation;

(6) Superior Paper Products Company;

(7) General Container Corporation;

(8) Gummed Products Company;

(9) Ajax Box Company

by St. Regis Paper Company. This investigation is necessary to determine whether the said acquisitions, or any of them, may be in contravention of Section 7 of the Clayton Act, as amended.

It is therefore requested that you furnish this office with full and complete answers to each of the questions set out below and with copies of specified documentary material. If any question cannot be answered fully, furnish such information as is available to you and explain wherein and why your answer is incomplete.

[fol. 116]

1. a. Give the correct title, mailing address and the State and date of incorporation of St. Regis Paper Company.

   b. Give the correct corporate title of each company acquired by St. Regis Paper Company, and each company from which stock or assets were acquired since January 1, 1951 and state

      (i) the mailing address,

      (ii) the State and date of incorporation,

      (iii) the date on which the acquisition was consummated,

      (iv) the nature and location of each plant, factory, warehouse or timber tract acquired,

      (v) the present use or the disposition of the properties named in response to (iv), and

      (vi) a description of all patents acquired with a brief statement of the principal uses of each.

2. Submit copies of contracts, options, agreements and special reports or memoranda relating to each acquisition listed in response to item 1. b. above.

3. a. Submit copies of the annual reports of St. Regis Paper Company from 1950 to date, together with its most recent comprehensive registration statement, prospectus, solicitation of proxy statement, and statement listing its securities on any security exchange.

[fol. 117]

b. Submit the same information as that requested in item 3. a. above for the year prior to acquisition for each company whose stock or assets were acquired by St. Regis Paper Company since January 1, 1951.

4. Report the gross receipts of St. Regis Paper Company for the years 1950 and 1955, showing sources of receipts as specified on the attached Report Form A.

5. a. Identify and locate each establishment of St. Regis Paper Company producing

(i) liner board

(ii) corrugating material

(iii) container chip and filler board

(iv) folding boxboard

(v) set-up boxboard, and

(vi) all other paper board in 1950 and in 1955, and state which of the establishments listed for 1955 were acquired by St. Regis since January 1, 1951.

b. Identify and locate each establishment of St. Regis Paper Company producing

(i) corrugated sheets and single face,

(ii) corrugated boxes,

(iii) all other corrugated,

(iv) solid fiber sheets and blanks,

(v) solid fiber boxes, and

(vi) all other solid fiber in 1950 and 1955 and state which of the establishments listed for 1955 were acquired by St. Regis since January 1, 1951.

[fol. 118] Data requested in items 6, 8, 9 and 10 below should be submitted for each establishment of St. Regis Paper Company and for each establishment acquired by St. Regis since January 1, 1951. A recapitulation should also be provided, showing consolidated company data (a) for St. Regis Paper Company for each year (data for each acquired establishment should not be consolidated for the year of acquisition), and (b) for each company from which stock or assets were acquired for the year prior to acquisition and for the year of acquisition.

6. a. Report for each establishment of St. Regis Paper Company, and for each establishment of companies acquired by St. Regis for 1950, 1954 and 1955 production in tons of

(i) liner board,

(ii) corrugating material,

(iii) container chip and filler board,

(iv) folding boxboard,

(v) set-up boxboard,

(vi) special food board, and

(vii) all other paper board.

b. Report for each establishment of St. Regis Paper Company, and for each establishment of companies acquired by St. Regis, for 1950, 1954 and 1955, shipments (M. Sq. Ft.) of

(i) corrugated sheets and single face

(ii) corrugated boxes

(iii) all other corrugated,

(iv) solid fiber sheets and blanks,

(v) solid fiber boxes, and

(vi) all other solid fiber

[fol. 119]

7. a. Identify and locate each establishment of St. Regis Paper Company producing

(i) waxing stock (18 lb. and up),

(ii) glassine, greaseproof or vegetable parchment, and

(iii) polyethylene film

in 1950 and 1955, and state which of the establishments listed for 1955 were acquired by St. Regis since January 1, 1951.

b. Identify and locate each establishment of St. Regis Paper Company producing

(i) oiled, waxed or wax laminated paper,

(ii) polyethylene coated or laminated papers and

(iii) specialty bags and liners

in 1950 and 1955, and state which of the establishments listed for 1955 were acquired by St. Regis since January 1, 1951.

8. a. Report for each establishment of St. Regis Paper Company and for each establishment of companies acquired by St. Regis for each of the years 1947, 1950, 1954 and 1955, the primary paper and board data specified by Census product code number on the attached Report Form B.

[fol. 120]

b. Report for each establishment of St. Regis Paper Company and for each establishment of companies acquired by St. Regis, for each of the years 1947, 1950, 1954 and 1955, the quantity (tons) and dollar value of shipments of

(i) bleached glassine,

(ii) unbleached glassine,

(iii) bleached, greaseproof and manifold,

(iv) unbleached, greaseproof and manifold,

(v) baglass, and

(vi) ice cream bag paper

9. Report for each establishment of St. Regis Paper Company and for each establishment of companies acquired by St. Regis, for each of the years 1947, 1950, 1954 and 1955, the plastics material data specified by Census product code number on the attached Report Form C.

10. a. Report for each establishment of St. Regis Paper Company and each establishment of companies acquired by St. Regis, for each of the years 1947, 1950 and 1954, the converted paper and board data specified by Census product code number on the attached Report Form D-1.

b. Report for each establishment of St. Regis Paper Company and for each establishment of companies acquired by St. Regis, for 1955 the converted paper and board data specified by Census product code number on the attached Report Form D-2.

[fol. 121]

11. a. Report for 1955 St. Regis Paper Company brand names for

(i) waxing stock (18 lb. and up),

(ii) glassine, greaseproof or vegetable parchment,

(iii) polyethylene film,

(iv) oiled, waxed or wax laminated paper,

(v) polyethylene coated or laminated paper, and

(vi) specialty bags and liners

b. Submit the same information requested in item 11. a. above for the Rhinelander Paper Company.

c. Submit the same information requested in item 11. a. above for Pacific Waxed Paper Company.

12. Report for each of the years 1947, 1950, 1954 and 1955 expenditures for research and development made by St. Regis Paper Company for each of the products, or product lines, specified in item 11. a. above.

13. Report for each of the years 1947, 1950, 1954 and 1955, expenditures for advertising and sales promotion made by St. Regis Paper Company for each of the products, or product lines, specified in item 11. a. above.

14. a. Report for each of the products, or product lines, specified in item 11. a. above, the principal competitors of Rhinelander Paper Company in 1955.

[fol. 122]

b. Submit the same information requested in item 14. a. above for Pacific Waxed Paper Company.

15. Report for each of the products, or product lines, specified in item 11. a. above the dollar value of purchases made by St. Regis Paper Company from

(i) Rhinelander Paper Company,

(ii) Pacific Waxed Paper Company, and

(iii) all other suppliers in 1955.

For each of the products or product lines give the names and addresses of suppliers, other than Rhinelander Paper Company and Pacific Waxed Paper Company in 1955.

16. a. Describe briefly the methods of distribution used by Rhinelander Paper Company in 1955, showing what stages of distribution lay outside its control.

b. Submit the same information requested in item 16. a. above for Pacific Waxed Paper Company.

17. a. Submit a list showing the names and addresses of the customers of Rhinelander Paper Company in 1955, identifying jobber, converter and other customers separately and showing the dollar value of sales to each customer for that year.

b. Submit the same information requested in item 17. a. above for Pacific Waxed Paper Company.

[fol. 123]

c. Submit the same information requested in item 17. a. above for the customers of St. Regis Paper Company located in the States of California, Oregon and Washington, and purchasing

(i) waxing stock (18 lb. and up),

(ii) glassine, greaseproof or vegetable parchment,

(iii) polyethylene film,

(iv) oiled, waxed or wax laminated paper,

(v) polyethylene coated or laminated paper, and

(vi) specialty bags and liners (show customers of each product or product line separately)

18. a. What proportion of the product of Rhinelander Paper Company does St. Regis Paper Company expect to use in its own converted products? What proportion of Rhinelander Paper Company's output will be sold on the market?

b. Submit the same information requested in item 18. a. above for Pacific Waxed Paper Company.

19. a. Furnish a copy of the agreement between Rhinelander Paper Company and Weyerhauser Timber Co. covering the R-W Paper Company, and state the status of the agreement after the acquisition of Rhinelander Paper Company by St. Regis Paper Company.

[fol. 124]

b. State the capacity of the R-W Paper Company in terms of the products, or product lines, listed in Report Forms B, D-1 and D-2, the date when the mill will begin operation and the prospective channels of distribution for its products.

20. State the reasons for the acquisition of

a. Rhinelander Paper Company, and

b. Pacific Waxed Paper Company.

It is requested that the information and documentary material set out above be furnished to this office not later than October 15, 1956. It is understood that this request will not serve to limit the right of the Commission to require the submission of such further information as may be necessary for a determination of this matter.

Very truly yours,

/s/ Charles E. Stroud

Charles E. Stroud,
Attorney.

[fol. 125]

ATTACHMENT TO EXHIBIT 1

Report Form A

Source of Total Gross Receipts

Year .....

Source	Total gross receipts Dollars	Percent
A. List products produced, processed, or assembled by this company with its own facilities (include contract work done for others on their materials):		
(1)	$	%
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
B. List products produced, processed, or assembled for this company by others (from materials owned by this company):		
(1)	$	%
(2)		
(3)		
(4)		
(5)		

Source	*Dollars*	*Percent*

C. List products bought and resold (without further processing or assembling by this company):

(1) ..... $..... %

(2) .....

(3) .....

(4) .....

(5) .....

D. List all other sources of income:

(1) ..... $..... %

(2) .....

(3) .....

(4) .....

(5) .....

Total gross receipts $..... 100%

[fol. 126]

ATTACHMENT TO EXHIBIT 1

Report Form B

Primary Paper and Board

Year .....

Is this an establishment report or a consolidated report (check one):

☐ Establishment report ☐ Consolidated report

If this is an establishment report, give location of establishment: .....

Was establishment owned by St. Regis in 1950 (check one):

☐ Yes ☐ No

If this is a consolidated report, give the name of the company for which data is consolidated:

.....

Product (a)	Production for all purposes (short tons) (b)	Shipments and Transfers: Total shipments and transfers — Short tons (c)	Total shipments and transfers — Value f.o.b. plant (omit cents) (d)	Transfers to other manufacturing establishments of your company — Short tons (e)	Transfers to other manufacturing establishments of your company — Value f.o.b. plant (omit cents) (f)	Market shipments (incl. exports) — Short tons (g)	Market shipments (incl. exports) — Value f.o.b. plant (omit cents) (h)	Census product code (i)
Unbleached kraft paper, containing more than 50% unbleached sulfate wood pulp								
Wrapping paper								
MF and MG wrapping paper (colored or natural)								26124 11
Butchers								26124 12
Misc., incl. screenings, core stock, bogus, mill wrappers, car liners and side rolls								26124 13
Bag paper								
Grocers and variety bag paper								26124 17
Other unbleached kraft bag paper								26124 19
Converting paper								
Waxing stock (18 lb. and up)								26124 28

Glassine, greaseproof and vegetable parchment	
Wrapping paper	26124 33
Bag stock	26124 35
Converting stock	26124 37
Other coarse paper, including bleached and semibleached kraft paper, sulfite and any mixed furnishes containing not more than 50% unbleached sulfate wood pulp	
Wrapping paper	
MF and MG wrapping paper (colored or natural)	26124 41
Butchers and grocers wrap	26124 43
Misc., incl. screenings, core stock, bogus, mill wrappers, car liners and side rolls	26124 45
Bag paper	
Grocers and variety bag paper	26124 53
Other bag paper	26124 55
Converting paper	
Waxing stock (18 lb. and up)	26124 66

Product	Production for all purposes (short tons)	Shipments and Transfers		Transfers to other manufacturing establishments of your company		Market shipments (incl. exports)		Census product code
		Total shipments and transfers						
		Short tons	Value f.o.b. plant (omit cents)	Short tons	Value f.o.b. plant (omit cents)	Short tons	Value f.o.b. plant (omit cents)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)

[fol. 127]

Meaning of terms used in

Report Form B

Primary Paper and Board Products

Column (b)—"Production for all purposes"—the total amount of primary paper and board items produced, whether sold, transferred or added to inventory. Production should be reported on a finished basis, that is machine production less machine and finishing room waste.

Columns (c) and (d)—"Total shipments and transfers" —the quantity and selling value, f.o.b. plant, of the specified primary paper and board items shipped or transferred by your company during each of the years for which information is requested. It should include primary paper and board items transferred to converting establishments or departments of your company, as well as products shipped to your customers. It should include products shipped on consignment, whether or not sold at the end of the year. It should also include items shipped to central warehouses and sales branches of your company, with deductions for stock returned.

The net selling value, f.o.b. plant, of your company's total shipments of each item listed should be reported. The reported figures should represent values f.o.b. plant after discounts and allowances and should not include freight charges or excise taxes.

Columns (e) and (f)—"Transfers to other manufacturing establishments of your company"—the quantity and value of the specified primary paper and board items trans-
[fol. 128] ferred or shipped to other manufacturing establishments of your company.

Reported figures should not include data for other intra-company transfers to warehouses or sales branches. Such transfers should be reported as "market shipments."

For value of the specified primary paper and board items transferred to other manufacturing establishments (converting departments) of your company at the same site as that at which the stock was manufactured or at any other locations, report on estimated value based upon market

value minus cost of services not performed, such as transportation, wrapping, etc.; or if representative market values are not available, upon "costs." If "costs" are used, the value should cover the cost of wood pulp, waste paper, chemicals, other paper mill supplies, fuel, electrical energy, and direct labor applicable to the primary paper and board operations, together with a reasonable proportion of the total indirect labor costs, overhead costs, and company profits or loss reasonably assignable to the mill stage of operation.

Columns (g) and (h)—"Market shipments (including exports)"—the quantity and selling value, f.o.b. plant, of all specified primary paper and board items which were shipped during each of the years for which information is requested to companies not owned, operated, or affiliated with your company.

Outgoing freight should not be included even though such freight is customarily included in your price quotations and invoices.

[fol. 129]

ATTACHMENT TO EXHIBIT 1

Report Form C

Plastics Materials

Year .....

Is this an establishment report or a consolidated report (check one):

☐ Establishment report ☐ Consolidated report

If this is an establishment report, give location of establishment:

.....

Was establishment owned by St. Regis in 1950 (check one):

☐ Yes ☐ No

If this is a consolidated report, give the name of the company for which data is consolidated: .....

Product (a)	Unit of Measure (b)	Production for all purposes, including further manufacture (quantity) (c)	Total shipments and transfers		Census product code (f)
			Quantity (d)	Value f.o.b. plant (omit cents) (e)	
Polyethylene sheeting and film					
Under 3.0 mils	M pounds				28234 51
3.0- 5.9 mils	M pounds				28234 53
6.0-14.9 mils	M pounds				28234 55
Over 15.0 mils	M pounds				28234 57

[fol. 130]

ATTACHMENT TO EXHIBIT 1

Report Form D-1

Converted Paper and Board Products

Year .....

Is this an establishment report or a consolidated report (check one):

☐ Establishment report ☐ Consolidated report

If this is an establishment report, give location of establishment:

.....

Was establishment owned by St. Regis in 1950 (check one):

☐ Yes ☐ No

If this is a consolidated report, give the name of the company for which data is consolidated: .....

Product (a)	Total shipments and transfers: Value f.o.b. plant (omit cents) (b)	Consumption of paper and board: Produced by this company (short tons) (c)	Consumption of paper and board: Purchased by this company (short tons) (d)	Census Product code (e)
Oiled, waxed and wax laminated paper				
Oiled and similarly treated paper				26412 11
Waxed and wax laminated paper				
Printed bread wraps				26412 21
Unprinted bread wraps				26412 25
Household waxed paper				26412 31
Delicatessen paper				26412 41
Locker papers				26412 51
Cereal and similar wraps				26412 61
Other (specify kind)				26412 71

Product (a)	Total shipments and transfers: Value f.o.b. plant (omit cents) (b)	Consumption of paper and board: Produced by this company (short tons) (c)	Consumption of paper and board: Purchased by this company (short tons) (d)	Product Census code (e)
Grocers and variety bags, paper				26611 11
Specialty bags and liners				
Paper, excluding glassine, greaseproof and waxed paper				26612 11
Glassine, greaseproof and waxed paper				26612 31
Foil or foil backed paper				26612 51
Cellophane				26612 61
Polyethylene				26612 71
Other sheet materials (pliofilm, acetate, and other plastics—specify kind)				26612 98

[fol. 131]

Meaning of terms used in

Report Form D-1

Converted Paper and Board Products

Column (b)—"Total shipments and transfers"—the value of the specified converted paper and board products shipped by your company during each of the years for which information is requested. Figures may be based on records of sales, shipments, or billings, whichever most closely approximate the physical movements of products out of the plant.

If production records are used, please adjust the production figures to reflect finished goods inventory changes. Include goods shipped or consigned, whether or not sold at the end of the year. Include products shipped to the manufacturing plants, central warehouses, and sales branches of your company. Deduct products returned.

For value of shipments, report the net selling value at the factory or plant of the total quantity of each product listed. This value should approximate as nearly as possible the actual amounts received or receivable by you for shipments during the year. The reported figures should represent values f.o.b. plant after discounts and allowances, and should not include freight charges and excise taxes.

Columns (c) and (d)—"Consumption of paper and board"—the quantity of paper and board consumed in fabricating the listed converted products.

It should include the quantity of paper or board consumed by your company in the manufacture of containers, cores, boxes, wrapping, etc., used to package and ship the converted product. It should not include the quantity of [fol. 132] paper or board in purchased containers.

In reporting on consumption of paper and board produced by your company, include the quantity of paper or board consumed which was made in a paper mill of your company at the same site as the converting establishment and at any other location.

In reporting on consumption of paper or board purchased by your company, report the quantity purchased from all sources other than plants owned or controlled by your company and consumed in the manufacture of each specified product during each of the years for which information is requested.

[fol. 133]

ATTACHMENT TO EXHIBIT 1

Report Form D-2

Converted Paper and Board Products

1955

Is this an establishment report or a consolidated report (check one):

☐ Establishment report ☐ Consolidated report

If this is an establishment report, give location of establishment:

.....

Was establishment owned by St. Regis in 1950 (check one):

☐ Yes ☐ No

If this is a consolidated report, give the name of the company for which data is consolidated: .....

Product	Total value of shipments, including interplant transfers f.o.b. plant (omit cents)
Commercial packing, total	
Bags, pouches, envelopes, drum liners, blankets, and tubes; plain or printed, waxed or unwaxed, total	
Cellophane (unsupported)	
Polyethylene (unsupported)	
Polyethylene in combination with paper, film, and foil or with foil combinations	
Kraft or sulfite paper, single or in combination with other paper; kraft, sulfite, or greaseproof paper in combination with plastic films other than polyethylene; and unsupported films other than cellophane and polyethylene	
Glassine, greaseproof, and parchment, laminated or unlaminated, including waxed or unwaxed, plain or preprinted wax paper	

Product	Total value of shipments, including interplant transfers f.o.b. plant (omit cents)
Printed rolls and printed sheets, except laminated or coated structures, total	
Cellophane	
Paper, all types	
All other materials, including foil	
Laminated or coated rolls and sheets, plain or printed (excluding unprinted paper mounted foils for cigarettes and chewing gum wraps, and bottle, can, and cannister labels)	

[fol. 134]

EXHIBIT 13

F.T.C. 70

SUBPOENA DUCES TECUM

UNITED STATES OF AMERICA

FEDERAL TRADE COMMISSION

[Stamp—Entered—SEP 16 1957—LeBoeuf, Lamb & Leiby By *AJP*.]

To Homer Crawford, Secretary,
St. Regis Paper Company,
150 East 42nd St., New York, N. Y.

You are hereby required to appear before Albert G. Seidman or Charles E. Stroud, attorneys of the Federal Trade Commission, at Room 2904, United States Courthouse, Foley Square, in the City of New York, State of New York, on the 27th day of September, 1957, at 10:00 o'clock a.m. of that day, to testify .....

And you are hereby required to bring with you and produce at said time and place the following books, papers,

and documents: As per attached Specifications which are made a part hereof: Provided, however, that this subpoena duces tecum is returnable before Albert G. Seidman or Charles E. Stroud on the 27th day of September, 1957, at 10:00 a.m. of that day at the principal office of St. Regis Paper Company, 150 East 42nd St., New York, New York, at the election of St. Regis Paper Company upon notice of this election being given to the Federal Trade Commission not later than the 22nd day of September, 1957.

Fail not at your peril.

In testimony whereof, the undersigned, a member of the Federal Trade Commission, has hereunto set his hand and caused the seal of said Federal Trade Commission to be affixed at Washington, D. C., this 13th day of September, 1957.

/s/ SIGURD ANDERSON
Commissioner

Served on Homer Crawford as Secretary of St. Regis Paper Company by Charles E. Stroud on Monday September 16, 1957.

Homer Crawford

NOTICE TO WITNESS.—If claim is made for witness fee or mileage this subpoena should accompany voucher.

Italicized material denotes handwritten notation.

[fol. 135]

SPECIFICATIONS

1. All paper writings, written or received since January 1, 1955, which refer or relate to the desirability, necessity or other reasons bearing on the decision of St. Regis Paper Company to acquire the securities or assets of Pacific Waxed Paper Co., Pollock Paper Corp., Gummed Products Co., Rhinelander Paper Company, J. Neils Lumber Company, and St. Paul & Tacoma Lumber Company.

2. All paper writings, options, agreements, relating to the acquisition by St. Regis Paper Company of the securities or assets of the concerns named in Specification 1.

3. All paper writings, written or received since January 1, 1955, which refer or relate to the properties, plants, patents, timber and timber lands, securities, management, products, distribution system, and business of the concerns named in Specification 1.

4. All paper writings, written or received since January 1, 1955, which refer or relate to the properties, plants, lands, patents, securities, timber or timber lands, products, management, distribution system of R-W Paper Co.

5. Annual Reports of St. Regis Paper Company and the other concerns named in Specification 1, for the years 1950 through 1956, inclusive.

6. All letters patent issued or assigned to the St. Regis Paper Company and the other concerns named in Specification 1.

7. All current patent license agreements in which St. Regis Paper Company, or the concerns named in Specification 1 are designated either as licensors or licensees.

8. The most recent comprehensive registration statement prospectus, solicitation or proxy statement, and statement listing securities on any exchange which refer or relate to the securities of St. Regis Paper Company and other concerns named in Specification 1.

9. Catalogues and other paper writings for the years 1954, 1955 and 1956 which list, illustrate or describe the products of St. Regis Paper Company and the products of the other concerns named in Specification 1.

[fol. 136] 10. All paper writings, records, books of account, which show the expenditures made by St. Regis Paper Company in the years 1954, 1955 and 1956 for research and development, and advertising and sales promotion, for each paper product line.

11. All paper writings, records and books of account showing the amount and value of sales and interplant transfers, by product, made by the concerns named in Specification 1 to St. Regis Paper Company during the year immediately preceding the acquisition of the securities or assets of these concerns, and during the year 1956.

12. All paper writings, records and books of account showing the amount and value of sales and interplant transfers, by product, made by St. Regis Paper Company to the concerns named in Specification 1, for the year immediately preceding the acquisition of the securities and assets of said concerns, and during the year 1956.

13. Duplicate copies of the complete reports submitted to the Bureau of the Census for the 1954 Census of Manufacturers, Forms MC 26A, MC 26B, and MC 26C by the following concerns:

Pollock Paper Corp.
Gummed Products Co.
Pacific Waxed Paper Co.
J. Neils Lumber Company, and
St. Paul & Tacoma Lumber Company.

14. All paper writings, written or received, which relate to the reports submitted to the Bureau of the Census for the 1954 Census of Manufacturers by St. Regis Paper Company and the other concerns named in Specification 13.

15. All paper writings, books, records and reports which show, as of January 1, 1956, the area and acres of land (all classes) owned or leased by St. Regis Paper Company, J. Neils Lumber Company, and St. Paul & Tacoma Lumber Company, located in the States of Washington, Oregon, California, Montana, Territory of Alaska; the area and acres of commercial forest land owned or leased by said companies in the aforesaid States; and the net volume of live saw timber in board feet on commercial forest land owned or leased by said companies and located in the aforesaid States, for the following specie:
[fol. 137]

Ponderosa Pine
Lodge Pole Pine
True Firs
Spruce
Cedar
Hemlock
Sitka Spruce.

The corporate name, St. Regis Paper Company, as used herein, identifies St. Regis Paper Company and all subsidiary corporations under the ownership and control of St. Regis Paper Company.

[fol. 138]

RETURN OF SERVICE

I hereby certify that a duplicate original of the within supoena was

duly served (Indicate by check √ method used.)

- in person. √
- by registered mail.
- by leaving copy at principal office or place of business, to wit:

.....

.....

.....

on the person named herein on September 16, 1957.
(Month, day, and year)

/s/ CHARLES E. STROUD
(Name of person making service)
Attorney
(Official title)

I certify that the person named herein was in attendance as a witness at .....

.....

on .....
(Month, day or days, and year)

.....
(Name of person certifying)

.....
(Official title)

[fol. 139]

EXHIBIT 30

FEDERAL TRADE COMMISSION

WASHINGTON 25

New York Branch Office:
U. S. Court House,
Foley Square,
New York 7, N. Y.

June 30, 1958.

Horace R. Lamb, Esquire,
LeBoeuf, Lamb & Leiby,
15 Broad Street,
New York 5, New York

In re: File No. 5510696
St. Regis Paper Company.

Dear Mr. Lamb:

In order that the Commission may complete the investigation of the above captioned matter, relating to the acquisition of the stock or assets of various corporations, it is requested that St. Regis Paper Company furnish as promptly as possible the information and materials set out in detail on the attached memoranda of request for information.

In the event you or any of the officials of your client wish to discuss the type and volume of information requested, I will be glad to meet with you for that purpose at your convenience.

Very truly yours,

/s/ CHARLES E. STROUD
Charles E. Stroud,
Attorney.

Encs.

[fol. 140]

ATTACHMENT TO EXHIBIT 30

MEMORANDUM OF REQUEST FOR INFORMATION ST. REGIS PAPER COMPANY

1. Furnish copy of the 1957 annual report.

2. Furnish the dollar volume of transfers or sales of primary paper made by St. Regis to the converting plants of:

a. Superior Paper Products Company.
b. Pollock Paper Corporation.
c. General Container Corporation.
d. Ajax Box Company.
e. Cambridge Corrugated Box Company.
f. Gummed Products Company.
g. Pacific Waxed Paper Company.
h. Rhinelander Paper Company.

for the calendar years of 1956 and 1957.

3. Furnish a statement showing the production in tons of gummed sealing tape, gummed reinforced box tape and flat gummed paper by the East Pepperell, Massachusetts plant for the years 1955, 1956 and 1957.

4. Furnish the names and addresses of the 10 largest customers for gummed sealing tape, gummed reinforced box tape and flat gummed paper and the dollar volume of sales to each for the years 1955, 1956 and 1957.

5. Furnish a statement of the dollar volume of sales of paper board, liner board, corrugating material and gummed reinforced box tape to Growers Container Corporation for the years 1955, 1956 and 1957.

6(a).

What plans, if any, has St. Regis for the acquisition of further common stockholdings in Growers Container Corporation?

6(b).

Have St. Regis negotiations for the purchase of the Jacksonville, Florida plant of Growers Container Corporation been abandoned? If not, what is the current status of such negotiations?

[fol. 141]

MEMORANDUM OF REQUEST FOR INFORMATION SUPERIOR PAPER PRODUCTS COMPANY

1. Furnish the names and addresses of suppliers of paper board, liner board, corrugating material and gummed reinforced box tape with the dollar volume of purchases of each product from each supplier for the calendar years 1953 and 1957.

2. Furnish the names and addresses of the 10 largest customers and the dollar volume of sales to each for the calendar years 1953 and 1957.

3. Describe the principal market area for Superior for the years 1953 and 1957.

4. Furnish copies of all reports of production, shipments, orders received and orders unfilled, made by Superior to trade associations in the years 1953 through 1957.

5. Describe any changes which have been made in the character and scope of Superior's operations since April 1954.

6. If Superior's plants or production equipment have been enlarged or new plants built since April 1954, furnish details of such changes.

[fol. 142]

MEMORANDUM OF REQUEST FOR INFORMATION POLLOCK PAPER CORPORATION

1. Furnish the names and addresses of all suppliers of waxing stock, paper board, liner board, corrugating material, gummed reinforced box tape and cellophane, together

with the volume of purchases of each product from each supplier for the calendar years 1954, 1956 and 1957.

2. Furnish the names and addresses of Pollock's 10 largest customers for:

a. Waxed bread wraps.
b. Folding cartons.
c. Set-up paper boxes.
d. Corrugated shipping containers.
e. Cellophane bread wraps.

for the years 1954 and 1957, together with the dollar volume of sales to each customer for both years.

3. Describe the extent to which cellophane is used as a substitute for waxed paper in the manufacture of bread wraps.

4. Describe Pollock's principal marketing areas for each of its products as they existed in 1954 and in 1957.

5. Furnish copies of all reports of production, shipments, orders received and orders unfilled made by Pollock to trade associations in the period from January 1, 1954 through December 31, 1957.

6. Describe any changes which have been made in the character and scope of Pollock's operations since June 1955?

7. If Pollock's plants and production equipment have been increased or new plants built since June 1955, furnish details of such changes.

[fol. 143] 8. Furnish copies of all Census Schedules submitted to the Bureau of Census covering Pollock's wholesale operations for the years 1954 and 1956.

[fol. 144]

MEMORANDUM OF REQUEST FOR INFORMATION

GENERAL CONTAINER CORPORATION

(FOR EACH OF GENERAL'S 4 DIVISIONS AND 5 OPERATING SUBSIDIARIES)

1. Furnish the names and addresses of suppliers of paper board, liner board, corrugating material and gummed rein-

forced box tape with the dollar volume of purchases of each product from each supplier for the calendar years 1954 and 1957.

2. Furnish the names and addresses of the 10 largest customers with the dollar volume of sales to each for the calendar years 1954 and 1957.

3. Describe the principal marketing areas as they existed in 1954 and in 1957.

4. Furnish copies of all reports on production, shipments, orders received and orders unfilled made to trade associations for the period from January 1, 1954 through December 31, 1957.

5. Describe any changes which have been made in the character and scope of operations since September 1955?

6. If plants and equipment have been enlarged or new plants built since September 1955, describe the changes which have been made.

[fol. 145]

MEMORANDUM OF REQUEST FOR INFORMATION

AJAX BOX COMPANY

1. Furnish the names and addresses of suppliers of paper board, liner board, corrugating material, gummed reinforced box tape and other types of primary paper with the dollar volume of purchases of each product from each supplier for the calendar years 1955 and 1957.

2. Furnish the names and addresses of the 10 largest customers and the dollar volume of sales to each for the calendar years 1955 and 1957.

3. Describe the principal marketing area as it existed in 1955 and in 1957.

4. Furnish copies of all reports on production, shipments, orders received, and orders unfilled made to trade associations in the period from January 1, 1955 through December 31, 1957.

5. Describe any changes which have been made in the character and scope of operations since January 1956.

6. If plants and equipment have been enlarged or new plants built since January 1956, furnish details on such changes.

[fol. 146]

MEMORANDUM OF REQUEST FOR INFORMATION

CAMBRIDGE CORRUGATED BOX COMPANY

1. Furnish the names and addresses of suppliers of corrugating sheets, paper board, gummed reinforced box tape and other type of primary paper with the dollar volume of purchases of each product from each supplier for the calendar years of 1956 and 1957.

2. Furnish the names and addresses of the 10 largest customers and the volume of sales to each for the calendar years 1956 and 1957.

3. Describe the principal marketing area as it existed in 1956 and 1957.

4. Furnish copies of all reports on production, shipments, orders received and orders unfilled made to trade associations in the period from January 1, 1955 through December 31, 1957.

5. Describe any changes which have been made in the character and scope of operations since September 1956.

6. If plants and equipment have been enlarged or new plants built since September 1956, describe the changes made.

[fol. 147]

MEMORANDUM OF REQUEST FOR INFORMATION

GUMMED PRODUCTS COMPANY

1. Furnish the names and addresses of suppliers of gumming stock and other primary papers with the dollar volume of purchases of each product from each supplier for the calendar years 1955 and 1957.

2. Furnish the names and addresses of the 10 largest customers for:

a. Gummed kraft sealing tape.
b. Gummed reinforced box tape.
c. Flat gummed printing papers and

the dollar volume of sales to each for the calendar years 1955 and 1957.

3. Describe the principal marketing area and the method of distribution for the years 1955 and 1957.

4. Furnish copies of all reports on production, shipments, orders received and orders unfilled made to trade associations in the period from January 1, 1955 through December 31, 1957.

5. Describe any changes which have been made in the character and scope of company operations since January 1956.

6. If plants and equipment have been enlarged or new plants constructed since January 1956, furnish details of such changes.

[fol. 148]

MEMORANDUM OF REQUEST FOR INFORMATION

PACIFIC WAXED PAPER COMPANY

1. Furnish the names and suppliers of waxing stock, waxed paper and other primary papers with the dollar volume of purchases of each product from each supplier for the calendar years 1955 and 1957.

2. Furnish the names and addresses of the 10 largest customers and the dollar volume of sales to each for the calendar years 1955 and 1957.

3. Describe the principal marketing area and method of sale and distribution for the years 1955 and 1957.

4. Furnish copies of all reports on production, shipment, orders received and orders unfilled made to trade associations in the period from January 1, 1955 through December 31, 1957.

5. Describe any changes which have been made in the character and scope of company operations since April 1956.

6. If plants or equipment have been enlarged or new plants constructed since April 1956, furnish details.

[fol. 149]

MEMORANDUM OF REQUEST FOR INFORMATION

RHINELANDER PAPER COMPANY

1. Furnish the names and addresses of the 20 largest customers and the dollar volume of sales to each for the calendar years 1955 and 1957.

2. Describe Rhinelander's principal marketing areas and method of distribution for the years 1955 and 1957.

3. Furnish copies of all reports on production, shipments, orders received and orders unfilled made to trade associations in the period from January 1, 1955 to December 31, 1957.

4. Furnish copies of all reports received from officials or employees of R-W Paper Company concerning:

a. Production
b. Sales
c. Shipments
d. Profit and/or loss from operations.
e. The establishment of R-W Paper Company's sales force.
f. Former Pacific Coast customers of Rhinelander Paper Company now being supplied by R-W Paper Company in the period from July 1956 to June 1, 1958.

5. Describe any changes which have been made in the character and scope of company operations since May 1956.

6. If plants and equipment have been enlarged or new plants constructed since May 1956, give details of such changes.

7. Furnish copies of all correspondence relating to amendments or explanations of schedules submitted to the Bureau of the Census for the 1954 census of manufactures.

[fol. 150]

MEMORANDUM OF REQUEST FOR INFORMATION

J. NEILS LUMBER COMPANY

1. Furnish a list of plants, their location, their principal product lines and their rated capacities for each product line.

2. Furnish a copy of the schedules submitted to the Bureau of the Census for the 1954 Census of Manufactures.

3. Furnish the names and addresses of the 20 largest customers and the dollar volume of sales to each for the calendar years 1956 and 1957.

4. Furnish complete details of all sales or transfers of products to St. Regis, its divisions or its subsidiaries in the calendar years 1956 and 1957.

5. Describe the method of distribution of company products for the years 1956 and 1957 and note any changes made in such methods since January 1957.

6. Furnish the following information concerning commercial forest lands owned or controlled (under lease or cutting rights) by Neils as of January 1, 1957:

a. Location and acreage by County and State.
b. Location in relation to commercial forest lands owned or controlled by St. Regis and St. Paul and Tacoma Lumber Company.
c. Net volume of live saw timber on such commercial forest lands in board feet distributed by State for:

Douglas Fir
Ponderosa Pine
Hemlock
Lodge Pole Pine
Spruce
Other species

[fol. 151] 7. Furnish copies of all reports on production, shipments, orders received and orders unfilled made to trade

associations in the period from January 1, 1955 to December 31, 1957.

8. Furnish complete details on the production and sale of pulp wood, chips or sawmill waste to pulp or paper mills for the years 1956 and 1957.

[fol. 152]

MEMORANDUM OF REQUEST FOR INFORMATION

ST. PAUL & TACOMA LUMBER COMPANY

1. Furnish a list of plants, their locations, their product lines and rated capacities for each product line.

2. Furnish a copy of the schedules submitted to the Bureau of Census for the 1954 Census of Manufactures.

3. Furnish the names of the 20 largest customers and the dollar volume of sales to each for the calendar years 1956 and 1957.

4. Furnish complete details of all sales or transfers of products to St. Regis, its divisions or subsidiaries in the calendar year of 1957.

5. Describe the method of distribution of company products for 1956 and 1957 and note any changes made in such method since June 1957.

6. Furnish the following information concerning commercial forest lands owned or controlled (under lease or cutting rights) by the company as of June 1, 1957:

a. Location and acreage by County and State.
b. Location in relation to commercial forest lands owned or controlled by St. Regis and J. Neils Lumber Company.
c. The net volume of live saw timber in board feet distributed by State for:

Douglas Fir
Hemlock
Spruce
Other species.

7. Furnish copies of all reports on production, shipments, orders received and orders unfilled made to trade associ-

ations in the period from January 1, 1955 to December 31, 1957.

[fol. 153]

EXHIBIT 31

LAW OFFICES OF

LEBOEUF, LAMB & LEIBY
15 BROAD STREET
NEW YORK 5, N. Y.

RANDALL J. LEBOEUF, JR.
HORACE R. LAMB
ADRIAN C. LEIBY
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JOHN A. BROUGH
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JOHN L. GROSE
HALCYON G. SKINNER
WILLIAM R. SHERWOOD

ARVIN E. UPTON
1821 JEFFERSON PLACE, N.W.
WASHINGTON 6, D. C.

July 10, 1958

Charles E. Stroud, Esq., Attorney
Federal Trade Commission
New York Branch Office
New York Court House
Foley Square
New York 7, New York

Re: St. Regis Paper Company
Your File No. 5510696

Dear Mr. Stroud:

Your letter dated June 30, 1958 and the "Memorandum of Request for Information" which accompanies such letter have been received.

In the press of other work there has been no opportunity to examine in detail the 13 typewritten pages of the Memorandum and the 70+ separate items of additional information requested therein; and due to absences on vacation we have been unable to discuss this matter with our client to appraise the enormous amount of information that would be required, and there will be no opportunity to do so, especially at this season of the year.

In any event, from the examination made thus far, it is apparent that an enormous amount of additional information has been requested relating to the acquisition by our client of the stocks or assets of not only the 8 corporations named on page 1 of the Memorandum but also the 2 additional corporations named on pages 12 and 13. It is exceedingly difficult to estimate the time and effort of our client's busy employees that would be required to develop such information, but there is little doubt that it may require several weeks for completion.

From reading your letter one not familiar with this subject might receive the impression that our client had not previously furnished a considerable amount of information regarding the acquisition of the eight corporations listed page 1 of the Memorandum. They are:

[fol. 154] Superior Paper Products Company
Pollock Paper Corporation
General Container Corporation
Ajax Box Company
Cambridge Corrugated Box Company
Gummed Products Company
Pacific Waxed Paper Company
Rhinelander Paper Company

It is my present recollection that since receipt by our client of the Commission's ten page letter dated September 7, 1956 and the Commission's subpoena dated September 13, 1957 (returnable before you and Mr. Seidman), our client furnished all of the information previously requested by the Commission regarding these acquisitions. I note, in this connection, that the final page of the reporter's transcript of the stenographic minutes of the so-called hearing

at your office on December 13, 1957, clearly indicates that all of the papers, documents and records requested, which were within the control of our client, had been furnished, except census reports which thereafter were furnished, and the reporter noted on the transcript:

> "(Whereupon, at 12:05 p.m., December 13, 1957, the hearing in the above entitled matter was concluded.)"

The acquisitions by our client of the stocks of the above-named eight corporations were all completed during the period beginning approximately September 15, 1954 and ending April 19, 1956. Thus, the request now made for additional information on those acquisitions relates to transactions which were concluded, in some cases, as long as nearly 4 years ago, and, at the latest, more than 2 years ago. In that period the business and properties of all such eight corporations have been fully integrated into our client's total business and properties.

In the circumstances, it is difficult to see why there is any necessity for the furnishing of any additional information regarding the eight acquisitions mentioned, particularly for the years subsequent to the completion of the acquisitions.

[fol. 155] Your letter states on page 1 that the purpose of the information is in order that the Commission may "complete" the investigation of the above captioned matter. So far as the eight corporations named above are concerned, it would appear that the Commission has had adequate information on which it may determine that none of said acquisitions involved any substantial lessening of competition within the meaning of Section 7 of the Clayton Act, as construed by numerous decisions of the courts.

Furthermore, I fail to understand how the Commission's investigation of such acquisitions could be aided in any respect by any transactions occurring in the years 1956 and 1957, long after said acquisitions, especially where, as here, and as indicated above, subsequent to the completion of the acquisitions such substantial changes, additions and modifications have been made in respect of the various plants

and properties and the businesses of the corporations whose stocks were previously acquired by our client.

Turning now to the portion of the Memorandum enclosed with your letter, which requests information regarding J. Neils Lumber Company and St. Paul and Tacoma Lumber Company, it is my recollection that in November, 1956 and in June of 1957, at the times our client made its offers to the shareholders of these two companies for the exchange of their shares for shares of the common stock of our client, you were informed of the fact that such offers were being made and that copies of our client's registration statement, as filed with the Securities and Exchange Commission, relating to each of those matters, were furnished to the Commission. It is my further recollection that after examining such registration statements it was indicated that no further information relating to those exchanges would be required. The exchange of the shares of the J. Neils Lumber Company was concluded early in January, 1957, and the exchange of the shares of St. Paul and Tacoma Lumber Company was concluded in August of 1957.

The registration statements relating to those transactions would provide adequate information from which the Commission could readily conclude that: (1) prior to those transactions our client was not engaged in the production or sale of lumber products, (2) neither of the two lumber companies mentioned were in competition with each other because of the different types of lumber manufactured and of the different locations of their manufacturing [fol. 156] plants, and (3) both of those transactions were "combinations" of corporations effected by "pooling of interests", within the meaning of those terms as construed by the accounting staff of the Securities and Exchange Commission.

It may also be added that in accordance with the statement of our client's intention, as expressly set out in the registration statements, subsequent to the completion of the exchange of shares of the two lumber companies, both of the companies have been merged into St. Regis Paper Company and their respective assets and businesses are

presently owned and operated as an integral part of the total business and properties of our client.

It is also noted that at the bottom of page 1 of the Memorandum which accompanied your letter inquiries are made as to our client's plans for the acquisition of further shares (in addition to the 1,000,000 shares held by our client since January 1956) of the capital stock of Growers Container Corporation, and whether the negotiations for the purchase by our client of the Jacksonville, Florida, plant of Growers has been abandoned and if not, what is the current status of such negotiations.

In response to those inquiries, I can now inform you that the proposed purchase of the Jacksonville, Florida, plant was not concluded and that our client has authorized the making of an offer to all holders of outstanding shares of the capital stock of Growers (other than our client) for the exchange of their shares for shares of the authorized but unissued common stock of our client, such offer to be made under a prospectus forming a part of a registration statement which has recently been filed with the Securities and Exchange Commission. If you desire, we shall be pleased to furnish you a copy of this registration statement, as and when it becomes effective, which, it is expected, will occur the latter part of this month or early in August. This registration statement contains adequate information to establish that there is no competition between Growers and our client because our client has no container mills on the Pacific coast or in Florida (Growers owns and operates container manufacturing plants at Salinas and Fullerton, California, as well as at Eastport near Jacksonville, Florida) and this proposed acquisition of additional shares of Growers by our client would not present any question under Section 7 of the Clayton Act.

[fol. 157] It is further noted that item 1 on page 1 of the Memorandum requests a copy of our client's 1957 annual report. Herewith I am pleased to enclose a copy of such report issued under date of February 11, 1958 and mailed to all registered holders of our client's stock during March 1958.

It seems to me that the foregoing adequately deals with the matters mentioned in your letter and the accompanying Memorandum. In the circumstances, therefore, I see no necessity for any further discussion with you regarding the type and volume of information requested. However, if you desire to have a meeting I suggest that you let me know, so that a mutually convenient time for such meeting may be arranged.

Prior to such meeting, however, I would also respectfully request, on behalf of our client, that a copy of this letter, which is enclosed herewith for that purpose, be forwarded to your superior officers on the Commission's staff in Washington and that you please be good enough to ask your superior officers to furnish us a statement of the necessity for what would obviously be a further, costly and time-consuming effort on the part of our client to prepare the additional information requested from our client.

Respectfully yours,

/s/ Horace R. Lamb

[fol. 158]

Exhibit 32

Federal Trade Commission

Washington 25

New York Branch Office:
U. S. Court House,
Foley Square,
New York 7, N. Y.

July 14, 1958

Mr. Horace R. Lamb,
Le Boeuf, Lamb & Leiby,
15 Broad Street,
New York 5, N. Y.

In re: File No. 5510696
St. Regis Paper Co.

Dear Mr. Lamb:

This will acknowledge receipt of your letter of July 10, 1958, in reference to my letter of June 30, 1958, and the memoranda of request for information concerning the various companies whose stock or assets were acquired by St. Regis.

In accordance with your request set out in the last paragraph of your letter, I am forwarding the copy, which you enclosed, to the Washington office for appropriate consideration. I can advise you, however, that prior to submitting my letter of June 30th with the attached memoranda, I visited the Washington office, conferred with my superior officers and, as a result of that conference, it was decided that the information outlined in the memoranda forwarded to you was necessary for the completion and disposition of the subject investigation.

I fully realize that the information, which has been requested, will require several weeks for completion. I trust, [fol. 159] however, that you will see your way clear to prepare this information and furnish it not later than August 22, 1958.

Very truly yours,

FEDERAL TRADE COMMISSION

/s/ CHARLES E. STROUD

Charles E. Stroud,
Attorney

[fol. 160]

EXHIBIT 33

LAW OFFICES OF

LEBOEUF, LAMB & LEIBY
15 BROAD STREET
NEW YORK 5, N. Y.

RANDALL J. LEBOEUF, JR.
HORACE R. LAMB
ADRIAN C. LEIBY
CAMERON F. MACRAE
CHAUNCEY P. WILLIAMS, JR.
JOHN A. BROUGH
CRAIGH LEONARD
JAMES O'MALLEY, JR.
JOHN L. GROSE
HALCYON G. SKINNER
WILLIAM R. SHERWOOD

ARVIN E. UPTON
1821 JEFFERSON PLACE, N.W.
WASHINGTON 6, D. C.

July 23, 1958

Charles E. Stroud, Esq., Attorney
Federal Trade Commission
New York Branch Office
United States Court House
Foley Square
New York 7, N. Y.

In re File No. 5510696
St. Regis Paper Company

Dear Mr. Stroud:

There has been no earlier opportunity to acknowledge receipt of your letter of July 14th. As I indicated at some length in my letter of July 10th, before my client should be put to the expense and time of preparing such a large volume of additional material I think it is entirely reasonable and proper there should be furnished my client some

further statement, other than contained in your letter of June 30th, as to the necessity for any further information relating to the acquisition by my client of the stocks of the 8 corporations listed at the top of page 2 of my letter of July 10th. I am hopeful, therefore, that in forwarding a copy of my letter you have urged your superior officers in the Commission to give careful consideration to such letter and the request therein. In the circumstances, pending a further statement from the authorized representative of the Commission, I have informed my client that no effort should be made to attempt to gather additional information relating to the acquisition by our client of the stock of such 8 corporations.

In that connection, I would like to add that if your superiors in Washington deem it desirable that there be any further personal conference either in New York or in Washington regarding the foregoing, I shall be pleased to attend such conference at a mutually agreeable time.

Your letter of July 14th makes no reply to the question raised on page 4 of my July 10th letter regarding the furnishing of a copy of our client's registration statement recently filed with the Securities and Exchange Commission relating to the proposed offer of exchange of shares of our client's authorized but unissued common stock in exchange [fol. 161] for shares of the capital stock of Growers Container Corporation, held by others than our client. The registration statement has not as yet become effective, but, as I indicated in my letter, it is expected that it should become effective the latter part of this month or early in August. There is presently available at this office a printed proof copy of such registration statement, as filed, and if you desire, a copy will be made available for your examination. Please let me know your wishes in this respect.

Finally, your letter makes no reply to the question raised on page 5 of my letter of July 10th, whether you desire to have a further discussion regarding the type and volume of information requested. I assume you are deferring answering that question until you have further word from your superiors in Washington.

I recently learned from Mr. Crawford, Secretary of St. Regis Paper Company, that you had sent him copies of your two letters to me and that on the bottom of the copies sent him there were typed words indicating that copies were to go to Mr. Crawford. You did not note on the bottom of either of your two letters to me that you were sending copies of your letter directly to Mr. Crawford.

I am assuming that such omission on your part was inadvertent, because I am sure you recognize that where, as here, a party is represented by counsel, an attorney for the Commission would not expect to deal directly with the party.

Yours very truly,

/s/ HORACE R. LAMB

[fol. 162]

EXHIBIT 34

FEDERAL TRADE COMMISSION

WASHINGTON 25

New York Branch Office:
U. S. Court House,
Foley Square,
New York 7, N. Y.

July 28, 1958

Horace Lamb, Esq.,
LeBoeuf, Lamb & Leiby,
15 Broad Street,
New York 5, N. Y.

In re: Our File No. 5510696
St. Regis Paper Company

Dear Mr. Lamb:

This will acknowledge receipt of your letter of July 23rd, a copy of which has been forwarded to the Washington office of the Commission.

First, I would like to tell you that I have no intention or desire to deal directly with your client in connection with this investigation. An examination of my file indicates that at the bottom of the last page of my letters of June 30th and July 14th, there appears the following:

"CC: Mr. Homer Crawford, Secretary
St. Regis Paper Company,
150 East 42nd Street,
New York, N. Y."

I assumed that the same wording appeared on the last page of the originals and cannot understand why it did not appear. Certainly if I had desired to deal directly with Mr. Crawford, I would not have addressed the letters to you, but to him as secretary of the company.

[fol. 163] I have been informed by the Washington Office that a letter addressed to you has been approved for forwarding to you concerning the necessity for the information requested in my letter of June 30th and you should receive that letter not later than Wednesday of this week. Since it is apparent that you do not consider me "an authorized representative of the Commission", I trust that upon receipt of the mentioned letter, you will immediately authorize your client to assemble the information requested in the memoranda attached to my letter of June 30th. Under the circumstances, I do not feel that it will be necessary to arrange a conference for the discussion of the type and volume of the information requested.

In connection with the registration statement recently filed with the Securities and Exchange Commission relating to the proposed offer of exchange of shares of St. Regis' authorized but unissued common stock in exchange for shares of the capital stock of Growers Container Corporation, I would certainly like to have the privilege of examining the proof copy of such statement and, if possible, have a copy for inclusion in the file. If the offer is accepted by the shareholders of Growers Container Corporation, it will also be necessary for me to request additional information concerning the matter.

Please advise me at your earliest convenience as to when I may expect to receive the information previously requested.

Very truly yours,

/s/ CHARLES E. STROUD

Charles E. Stroud,
Attorney

CC: Mr. Homer Crawford,
Secretary, St. Regis Paper Co.
150 East 42nd Street,
New York, N. Y.

[fol. 164]

EXHIBIT 35

FEDERAL TRADE COMMISSION

WASHINGTON 25

BUREAU OF INVESTIGATION
OFFICE OF
CHIEF PROJECT ATTORNEY

Jul 30 1958

LeBoeuf, Lamb & Leiby,
15 Broad Street,
New York 5, New York.

Attention: Mr. Horace R. Lamb.

Re: File 5510696,
St. Regis Paper Company.

Gentlemen:

Pursuant to your request, Attorney Charles Stroud, of the Commission's New York office, has forwarded to this office for consideration a copy of your letter of July 10, 1958, which is in reply to his letter of June 30, transmitting a memorandum listing additional items of information requested of your client, St. Regis Paper Company.

Your letter requests that Mr. Stroud's superiors provide you with a statement of the necessity for the additional information requested of St. Regis Paper Company.

As stated in Attorney Stroud's letter of June 30, the additional information is needed in order that the Commission may complete its investigation relating to St. Regis Paper Company's acquisition of the securities or assets of various corporations. As you were previously advised, the investigation is being conducted with a view to determining whether any of the acquisitions constitute possible violation of Section 7 of the Clayton Act, as amended, or Section 5 of the Federal Trade Commission Act.

The information previously obtained from St. Regis Paper Company in response to the Commission's subpoena, together with the additional information requested in the memorandum attached to Attorney Stroud's letter of June 30, is substantially the same as that which the Commission seeks to obtain in all matters arising under Section 7 of the [fol. 165] Clayton Act, as amended. Such information is needed as a basis for determination as to whether or not the effect of a given acquisition or series of acquisitions may be substantially to lessen competition in any line of commerce in any section of the country, or to tend to create a monopoly.

In conclusion you are advised that the memorandum of request submitted by Attorney Charles Stroud was authorized and approved by this office prior to its delivery.

Your full cooperation with Mr. Stroud in this matter is requested.

Sincerely yours,

/s/ SAMUEL L. WILLIAMS

Samuel L. Williams,
Chief Project Attorney.

[fol. 166]

EXHIBIT 36

LAW OFFICES OF

LEBOEUF, LAMB & LEIBY
15 BROAD STREET
NEW YORK 5, N. Y.

RANDALL J. LEBOEUF, JR.
HORACE R. LAMB
ADRIAN C. LEIBY
CAMERON F. MACRAE
CHAUNCEY P. WILLIAMS, JR.
JOHN A. BROUGH
CRAIGH LEONARD
JAMES O'MALLEY, JR.
JOHN L. GROSE
HALCYON G. SKINNER
WILLIAM R. SHERWOOD

ARVIN E. UPTON
1821 JEFFERSON PLACE, N.W.
WASHINGTON 6, D. C.

August 5, 1958

[Stamp—Bureau of Investigation Records—Aug. 7, 1958.]

Samuel L. Williams, Esq.
Chief Project Attorney
Federal Trade Commission
Bureau of Investigation
Washington 25, D. C.

Re: File No. 5510696
St. Regis Paper Company

Dear Mr. Williams:

This acknowledges receipt of your letter dated July 30, 1958 which I understand is in reply to my letter dated July 10, 1958 addressed to Mr. Charles E. Stroud, Attorney for the Commission at the New York Branch Office, and which acknowledges Mr. Stroud's letter of June 30, 1958.

As I pointed out at some length in my letter of July 10th, it appears to my client and to me that at the conclusion of the conference on December 13, 1957 with Mr. Seidman and Mr. Stroud in New York all of the information reasonably required by the Commission, and which our client was in a position to furnish, relating to the 8 companies mentioned on page 2 of my letter of July 10th, had been furnished. Furthermore, the acquisition of those 8 companies having been completed as long ago as the period from September 15, 1954 through April, 1956, it is difficult to understand why, as requested in Mr. Stroud's letter of June 30, 1958, further information should be required in respect of the years 1956 and 1957 regarding the acquisition of those 8 companies. In the period since the acquisition of those 8 companies was completed, as a part of our client's plans for the integration of the acquired companies with our client's business, numerous changes have been effected so that the requested information regarding the production and business of the acquired companies for the years subsequent to the acquisition would present a rather different situation than that which existed at the time of or prior to the acquisition.

[fol. 167] It was for this reason that I requested that Mr. Stroud's superiors, which presumably includes your office, should furnish some statement to our client and to me regarding the necessity for the additional information.

Your letter of July 30th, in only general terms, states, in effect, that the information is merely needed as a basis for your determination whether the effect of such acquisitions "may be substantially to lessen competition in any line of commerce in any section of the country, or to tend to create a monopoly", which, of course, is merely a statement of the provisions of Section 7 of the Clayton Act.

The information previously furnished states the factual situation, namely, that at the time of the acquisition of each of the 8 companies named, our client was not engaged in the manufacture, use or sale of any of the products which were then being produced and sold by the acquired companies. The purpose of the acquisitions was to extend the business

of our client into new and additional products, thereby further integrating our client's business. It seems reasonably clear, therefore, that on the basis of such information the Commission may determine whether there is any basis to sustain a claim that competition was lessened by the acquisition of any of the 8 companies and reach a conclusion whether the "effect" of the acquisitions presents any question under Section 7. In the circumstances, I think you will agree that our client should receive from the Commission's staff a more specific statement of the reasons why additional information is needed.

There is, furthermore, a reluctance on the part of our client to furnish, even to members of the Commission's staff, by name and address, such confidential information as the 10 largest customers and dollar volume of sales to each, as requested in Mr. Stroud's letter.

As to the 2 lumber companies whose stocks were acquired in the latter part of 1956 and the first part of 1957, if the Commission's staff has had an opportunity to review the factual matter shown in the registration statements relating to each of such acquisitions, as previously furnished, we believe that the facts shown therein should suffice to establish that no competition was lessened in connection with those acquisitions by reason of the difference in the character and kinds of timber products sold by the 2 companies and the differences in the locations of their respective plants and forest lands.

[fol. 168] The numerous items in respect of each of the companies is so substantial and would require such extensive time and effort to complete that before embarking on the task of preparing the additional information, we believe there should be a further, factual statement submitted by the Commission showing the necessity therefor.

Regarding the proposed acquisition of additional shares of the capital stock of Growers Container Corporation, we have previously informed Mr. Stroud that as soon as the registration statement relating to that matter has been completed and made effective, which we hope will occur in

the next week or so, a copy of that registration statement will be furnished the Commission for its examination.

As the Commission's staff knows, our client and we, as its counsel, have endeavored to cooperate fully with the Commission by a personal visit nearly 2 years ago (on September 25, 1956) with the Commission's staff in Washington, by meetings in New York with an attorney, an accountant and an economist for the Commission, and by causing to be prepared and furnished to the Commission considerably more than 200 separate writings, documents and copies of reports, as requested by the Commission's staff. Both in the letter of Mr. Stroud dated July 14th and in your letter of July 30th there is lacking any statement to indicate that the vast amount of information previously furnished has been reviewed and any conclusions reached thereon, although a statement of such conclusions was requested in October, 1957, of Mr. Hale, Legal Adviser of the Commission's Bureau of Investigation.

Your statement that the additional information requested is "substantially the same as that which the Commission seeks to obtain in all matters arising under Section 7 of the Clayton Act, as amended", is, we submit, not very informative in the present circumstances. Obviously, each acquisition of shares or assets of another corporation presents a unique situation and the "Memorandum of Request for Information" which accompanied Mr. Stroud's letter of June 30, 1958, was prepared for this particular investigation.

I think it is worth repeating here that, subsequent to the October 1957 conference at the Commission's New York office in connection with this matter, which was attended by Mr. Hale and another Washington representative of the Commission, on December 13, 1957, Mr. Seidman stated on the stenographic record of the conference in this matter [fol. 169] that all requested papers, documents and records in the control of our client had been "fully furnished" and that the matter "was concluded".

Excepting only in the case of the proposal of our client to acquire additional shares of Growers Container Corpora-

tion, for which a registration statement is now pending before the Securities and Exchange Commission, as mentioned above, all of the acts and transactions regarding the matters inquired about in the Commission's "Memorandum of Request for Information" which accompanied Mr. Stroud's letter of June 30, 1958, were fully completed prior to September 1, 1957, so that by this time all of the relevant facts relating thereto could have been fully investigated by the Commission and a conclusion reached thereon.

It is respectfully submitted, therefore, that in the present situation there are special circumstances presented which fully warrant our request for a factual statement of the necessity for carrying this same investigation further, as proposed in the numerous items of the aforementioned memorandum.

It is further respectfully requested that we be granted an opportunity to confer with a responsible officer of the Commission's Bureau of Investigation in Washington, at which time the memorandum annexed to Mr. Stroud's letter of June 30th be reviewed in the light of the information heretofore furnished the Commission on behalf of our client. At such conference there should be considered the question whether any of the additional information is essential to the Commission's further investigation, or, if so, whether the numerous items therein may be limited to matters on which information has not previously been requested and which are relevant and material to the Commission's further investigation.

Respectfully yours,

/s/ HORACE R. LAMB

cc: Charles E. Stroud, Esq.

[fol. 170]

EXHIBIT 37

LAW OFFICES OF

LEBOEUF, LAMB & LEIBY
15 BROAD STREET
NEW YORK 5, N. Y.

RANDALL J. LEBOEUF, JR.
HORACE R. LAMB
ARTHUR C. LEIBY
CARLETON F. MACRAE
CHAUNCEY P. WILLIAMS, JR.
JOHN A. BROWNE
CHARLES LEONARD
JAMES O'MALLEY, JR.
JOHN L. GREER
HALCYON G. SKINNER
WILLIAM R. SHERWOOD

ARVIN E. UPTON
1821 JEFFERSON PLACE, N.W.
WASHINGTON 6, D. C.

August 12, 1958

Charles E. Stroud, Esq., Attorney
Federal Trade Commission
New York Branch Office
United States Court House
Foley Square
New York 7, N. Y.

In re File No. 5510696
St. Regis Paper Company

Dear Mr. Stroud:

As promised in my recent correspondence, I am pleased to enclose herewith a copy of the prospectus forming a part of a registration statement filed with the Securities & Exchange Commission relating to the offer of St. Regis

to exchange shares of its common stock for outstanding shares of the capital stock of Growers Container Corporation, held by others than St. Regis.

As I previously informed you, St. Regis presently owns 1,000,000 shares of the capital stock of Growers which was purchased for cash in January, 1956.

The prospectus has been sent to all holders of Growers capital stock other than St. Regis. The offer of exchange will be outstanding until August 30, 1958, unless such time is extended, all as more fully provided in the terms of the offer stated in the enclosed prospectus.

I think that the enclosed prospectus will give you complete information regarding the business and properties of Growers, as well as its financial statement and also information regarding the business and properties of St. Regis, including its financial statements.

The information regarding the business of Growers shows that it has manufacturing plants at Salinas and Fullerton, California, and also at Eastport, near Jacksonville, Florida, for the manufacture of containers primarily designed for food products.

[fol. 171] At the time of the acquisition of the 1,000,000 shares of Growers, St. Regis did not own or operate, and it does not now own or operate, any container plants in California or Florida, either directly or through its subsidiaries.

It seems reasonably clear, therefore, that there could be no question arising under Section 7 of the Clayton Act in connection with the proposed acquisition of the additional shares of the capital stock of Growers pursuant to the offer set forth in the prospectus enclosed herewith.

If you have any further questions regarding this matter, please let me know.

Yours very truly,

/s/ Horace R. Lamb

Per: M. H.

Enclosure

Italicized material denotes handwritten notation.

[fol. 172]

EXHIBIT 38

FEDERAL TRADE COMMISSION

WASHINGTON 25

BUREAU OF INVESTIGATION
OFFICE OF
CHIEF PROJECT ATTORNEY

AUG 22 1958

LeBoeuf, Lamb & Leiby,
15 Broad Street,
New York 5, New York.

Attention: Horace R. Lamb, Esq.

Re: File No. 5510696,
St. Regis Paper Company

Gentlemen:

This will acknowledge receipt of your letter of August 5, 1958, in reply to Chief Project Attorney Samuel L. Williams' letter of July 30, relative to your request for a statement of the necessity for the additional information requested of your client, St. Regis Paper Company, by Attorney Charles Stroud of the Commission's New York Office.

You state that the reasons set forth in Mr. Williams' letter of July 30 are general in nature, and merely restate the provisions of Section 7 of the Clayton Act. You further state that because of the volume of information requested, and the work required in assembling the information, you believe that you are justified in asking for a more specific statement of the reasons why the additional information is needed.

It appears that your apparent lack of understanding of our need for the additional information requested of your client may be due to some misconception of the meaning and intent of Section 7. For example, in paragraph 3, page 2, of your letter, you state that the information previously furnished shows that the products or product-lines of St.

Regis differed from those of the acquired companies and that the purpose of the acquisitions was to give St. Regis new and additional product-lines. You also state that it seems reasonably clear that on the basis of such information the Commission may make a determination as to whether competition has been lessened as a result of any of the acquisitions under investigation.

[fol. 173] The legislative history relating to the enactment of Section 7, as amended, clearly indicates that Congress intended that the Act should have broad application to all acquisitions economically significant. The purpose of the Act and the competitive area which it embraces are made clear in the report of the House Committee on the Judiciary. The said report states:

> "The bill applies to all types of mergers and acquisitions, vertical and conglomerate as well as horizontal, which have the specified effects of substantially lessening competition • • • or tending to create a monopoly.
>
> "If, for example, one of a number of raw material producers purchases firms in a fabricating field (i.e., 'forward vertical' acquisition), and if as a result thereof competition in that fabricating field is substantially lessened in any section of the country, the law would be violated, even though there did not exist any competition between the acquiring (raw material) and the acquired (fabricating) firms."

Your attention is also invited to the Supreme Court's decision (June 3, 1957) in the DuPont-General Motors case, wherein the Court stated:

> "We hold that any acquisition by one corporation of all or any part of the stock of another corporation, competitor or not, is within the reach of the section whenever the reasonable likelihood appears that the acquisition will result in a restraint of commerce or in the creation of a monopoly in any line of commerce • • • ."

In paragraph 2 of your letter you state that the acquisitions under investigation were completed sometime ago

during the period from September 15, 1954, through April 1956, and, therefore, it is difficult for you to understand the reason for requesting information relating to the production and business of the acquired companies for the years (1956 and 1957) subsequent to the acquisitions. Such [fol. 174] information is necessary for the purpose of ascertaining the economic impact on competition since the acquisitions. In the DuPont-General Motors case, the lessening of competition was largely based on developments which transpired subsequent to the acquisition.

In our opinion, the statement of necessity for the additional information, as set forth in our previous letter, is both adequate and responsive. Nevertheless, in compliance with your request, some further elaboration on the statement will be made. The Commission has the responsibility of identifying each line of commerce and section of the country in which competition may be substantially lessened as a result of each of the acquisitions under investigation. It must then determine, for each of the markets thus defined, the roles of the acquiring and acquired companies prior to the acquisitions and the role of the surviving company in the period since the acquisition. It must also consider such other information with respect to each of these markets as to permit it to judge the significant effects of each acquisition.

Exception must be taken to your statement to the effect that both you and your client have "endeavored to cooperate fully with the Commission * * * " by preparing and furnishing over 200 documents and in other ways. As you know, the investigation in this matter was initiated in September 1956, at which time a letter was delivered to your client requesting certain information and material. The data so requested were submitted over a year later in response to a Commission subpoena.

Your request for an opportunity to confer with responsible members of the staff of this Bureau in Washington for the purpose of reviewing Attorney Stroud's letter of June 30 and the attached memorandum of request, in the light of information previously submitted, and also

for the purpose of deciding whether any of the requested information is essential to the completion of the investigation, is noted.

The information previously obtained from St. Regis has been the subject of careful analysis. This analysis disclosed the need for the additional information as specified in Attorney Stroud's memorandum of request. You are assured that it is not our intention to request any informa-[fol. 175] tion which is not essential, nor is it our intention to impose any unreasonable burden on your client.

This matter has been assigned to Attorney Stroud, who is responsible for the satisfactory completion of the investigation. Attorney Stroud is one of the Commission's most competent employees and has had the benefit of many years of experience in the conduct of investigations of this nature. In his letter of June 30, he offered to discuss with you and your client questions relating to the type and volume of information requested in his memorandum. Mr. Stroud undoubtedly will give due consideration to any reasonable request for modification or change of his memorandum. It is suggested, therefore, that you provide an opportunity for Mr. Stroud to meet with you and persons conversant with the company's records for the purpose of discussing the memorandum of request and any problems which your client may face in assembling the information and material requested therein.

In view of the time which has elapsed since the initial request, it is hoped that you will make a special effort to furnish the additional information and material at an early date. In investigations of this nature, our experience indicates that most companies are able to assemble the type of information specified in Attorney Stroud's memorandum in less than six weeks.

Sincerely yours,

/s/ Frank C. Hale

Frank C. Hale,
Acting Chief Project Attorney.

cc: Charles E. Stroud,
New York Branch Office.

[fol. 176]

EXHIBIT 39

FEDERAL TRADE COMMISSION

WASHINGTON 25

New York Branch Office:
U. S. Court House,
Foley Square,
New York 7, N. Y.

August 28, 1958.

Horace R. Lamb, Esq.,
LeBoeuf, Lamb & Leiby,
15 Broad Street,
New York 5, N. Y.

In re: File No. 5510696,
St. Regis Paper Co.

Dear Mr. Lamb:

This will acknowledge receipt of your letter of August 12th enclosing a copy of the prospectus forming a part of a registration statement filed with the Securities & Exchange Commission by St. Regis Paper Co. dated August 7, 1958, which I found on my desk when I returned from vacation. This will also acknowledge a copy of your letter of August 5, 1958, addressed to Samuel L. Williams, Chief Project Attorney, in connection with the subject investigation.

I have just received a copy of a letter addressed to you by Frank C. Hale, Acting Chief Project Attorney, dated August 22, 1958. I will be glad to meet with you and any officials of your plant to discuss the memoranda of requests for information forwarded with my letter of June 30, 1958.

Very truly yours,

FEDERAL TRADE COMMISSION

/s/ CHARLES E. STROUD

Charles E. Stroud,
Assistant Attorney in Charge,
New York Office.

[fol. 177]

EXHIBIT 40

LAW OFFICES OF

LEBOEUF, LAMB & LEIBY
15 BROAD STREET
NEW YORK 5, N. Y.

RANDALL J. LEBOEUF, JR.
HORACE R. LAMB
ADRIAN C. LEIBY
CAMERON F. MACRAE
CHAUNCEY P. WILLIAMS, JR.
JOHN A. BROUGH
CRAIGH LEONARD
JAMES O'MALLEY, JR.
JOHN L. GROSE
HALCYON G. SKINNER
WILLIAM R. SHERWOOD

ARVIN E. UPTON
1821 JEFFERSON PLACE, N.W.
WASHINGTON 6, D. C.

August 28, 1958

[Stamp—Bureau of Investigation—Records—SEP 5 1958.]

Frank C. Hale, Esq.,
Acting Chief Project Attorney
Bureau of Investigation
Federal Trade Commission
Washington 25, D.C.

Re: File No. 5510696 *to New York 3-18-58*
St. Regis Paper Company

Dear Sir:

Your letter of August 22nd with reference to the above matter arrived during Mr. Lamb's absence from the office. It shall be called to his attention promptly after his return next week.

Very truly yours,

/s/ RUTH J. FOERSTER
Secretary to Horace R. Lamb

---

* Italicized material denotes handwritten notation.

[fol. 178]

EXHIBIT 41

LAW OFFICES OF

LEBOEUF, LAMB & LEIBY
15 BROAD STREET
NEW YORK 5, N. Y.

RANDALL J. LEBOEUF, JR.
HORACE R. LAMB
ADRIAN C. LEIBY
CAMERON F. MACRAE
CHAUNCEY P. WILLIAMS, JR.
JOHN A. BROUGH
CRAIGH LEONARD
JAMES O'MALLEY, JR.
JOHN L. GROSE
HALCYON G. SKINNER
WILLIAM R. SHERWOOD

ARVIN E. UPTON
1821 JEFFERSON PLACE, N.W.
WASHINGTON 6, D. C.

September 10, 1958

[Stamp—Bureau of Investigation—Records—SEP 12 1958.]

Frank C. Hale, Esq.,
Acting Chief Project Attorney
Bureau of Investigation
Federal Trade Commission
Washington 25, D. C.

Re: St. Regis Paper Company—Acquisition of Stocks of Ten Other Companies
File No. 5510696 *to NY 3-18-58*

Dear Sir:

Your letter dated August 22nd in reply to my letter of August 5th to Mr. Williams was received in my absence and acknowledged by Miss Foerster's letter of August 28th.

Italicized material denotes handwritten notation.

It is, of course, disappointing to our client and to me that your letter contains no factual statement indicating the necessity for the extensive additional information as requested in Mr. Stroud's letter of June 30th and the "Memorandum of Request for Information" which accompanied such letter.

Your reference to the provisions of Section 7 of the Clayton Act and portions of the legislative history relating to its enactment is not of much assistance. Likewise, your inviting my attention to the Supreme Court's decision in the Dupont-General Motors case, which was carefully read when first announced, has little, if any, relevance to the matter of our client's acquisitions. In fact, I think it would be proper to suggest that if your Bureau's present investigation is to determine whether our client's acquisitions fall within the holding in the Dupont-General Motors decision, the records and information previously furnished by our client should be found more than adequate to enable your Bureau to determine that our client's acquisitions are entirely distinguishable on their facts.

[fol. 179] In my previous letter to Mr. Williams I pointed out that the paper and converting companies acquired by our client had been integrated into the total business and properties of our client. I might also add that the logging operations of the two lumber companies in the Pacific Northwest area have, in large part, been integrated with our client's logging operations in the timberlands previously held by our client in the State of Washington. The fact that such changes have been made not only presents difficulties in the preparation of the additional information now requested by your Bureau, but, I believe, also demonstrates that the furnishing of the additional information at this late date would not serve any very useful purpose.

There are also further facts which I feel have not been given adequate consideration by the representatives of your Bureau, namely, that the acquisitions of these companies by our client were initiated by representatives of the acquired companies, that the acquired companies were engaged in a different but related line of commerce, and

the combining of these companies with our client effected integration of several separate segments of the paper industry, including the supply of raw materials from woodlands in areas where our client's needs were not theretofore adequately provided, and added new kinds of paper and paper products which our client had not theretofore manufactured.

Furthermore, subsequent to the completion of the transactions, many of the individuals who theretofore held responsible positions in the management of the companies who combined their properties and business with our client have become active participants in the management of St. Regis, either as members of our client's board of directors, officers or other important supervisory positions. In addition, numerous other changes, additions and rearrangement of the properties and business of the acquired companies have occurred, so that the task of procuring the requested additional information is further complicated.

I regret that you find it necessary to take exception to my previous statement that our client and I have endeavored to cooperate fully with the Commission in the several conferences I have had with your representatives and by voluntarily furnishing your representatives more than 200 documents and records from the files of our client. In this respect we believe that on the present record any impartial tribunal would sustain our position.

[fol. 180] Likewise, it is disappointing that, without any explanation thereof, you merely state that an analysis of the information previously furnished "disclosed the need for the additional information as specified in Attorney Stroud's memorandum of request". If such analysis has been completed, it would seem only reasonable and fair that our client should be entitled to know the factual conclusions of your Bureau concerning the large volume of information previously furnished before subjecting our client to a substantial additional burden and expense at this late date.

Your letter ignores completely what is perhaps the most significant fact in this investigation, namely, that at the

conference with the Commission's attorneys regarding these acquisitions held on December 13, 1957, in the Commission's New York office, the attorney for the Commission conducting the conference stated that " . . . the hearing in the above entitled matter is concluded." At the same time the Secretary of our client was discharged from any further response to the Commission's subpoena duces tecum previously served on our client.

As you have doubtless learned, under date of August 12th we furnished Mr. Stroud a copy of our client's Prospectus relating to our client's offer of exchange for the outstanding shares of the capital stock of Growers Container Corporation, other than the 1,000,000 shares of such stock owned by our client and which were the subject of discussion with you and other members of the Commission's staff at our first conference in Washington on September 25, 1956. Mr. Stroud has acknowledged receipt of such Prospectus under date of August 28th, but to date he has not indicated the necessity for any further information relating to that matter, although he has indicated a willingness to meet and discuss the Memorandum.

Before Mr. Stroud and I attempt to discuss the Memorandum, I sincerely believe there should be a further review by the head of the Bureau of Investigation of this whole matter. I, therefore, respectfully request that a copy of this letter and copies of our recent correspondence [fol. 181] be placed before the appropriate officer in the Bureau, with the request, which is hereby made, that, in view of the large volume of information previously furnished the Commission by our client and of the additional circumstances which I have described in my recent letters, the Bureau give consideration to the issuance of a directive that the Memorandum and the request made in Mr. Stroud's letter of June 30, 1958 be withdrawn.

Respectfully yours,

/s/ Horace R. Lamb

cc: Mr. Charles E. Stroud

[fol. 182]

EXHIBIT 42

FEDERAL TRADE COMMISSION
WASHINGTON 25

BUREAU OF INVESTIGATION
OFFICE OF THE DIRECTOR

SEP 18 1956

LeBoeuf, Lamb & Leiby,
15 Broad Street,
New York 5, New York.

Attn: Mr. Horace Lamb.

Re: File 551 0096,
St. Regis Paper Company.

Gentlemen:

In accordance with the request in your letter of September 10, 1956, to Acting Chief Project Attorney, Frank C. Hale, I have reviewed the exchange of correspondence between you and members of the Staff of the Bureau of Investigation. I have also reviewed the "Memorandum of Request for Information" attached to Attorney Stroud's letter of June 30 specifying the additional information and material to be furnished by your client, St. Regis Paper Company.

In my opinion, you have been adequately informed as to the purpose of the investigation and as to the necessity for the additional information requested of your client.

I realize that the work entailed in assembling the information may cause some inconvenience to your client, but this cannot be avoided if the Commission is to carry out its duties and responsibilities under the various statutes which it administers.

The long delay in this investigation, which was initiated in September, 1956, is a matter of grave concern to this

office. Under the circumstances, Attorney Stroud has been instructed to complete the investigation at the earliest date possible. To this end, it is again suggested that you promptly accept Attorney Stroud's offer to meet with you and officials of the company for the purpose of discussing questions relating to the types and volume of information requested in his memorandum.

I have instructed Attorney Stroud to advise me by September 26, 1958, whether or not satisfactory arrangements have been effected for obtaining the requested information from your client on a voluntary basis. If satisfactory arrangements have not been concluded at that time, action will be promptly initiated to secure the production of the information.

Very truly yours,

/s/ Sherman R. Hill

Sherman R. Hill,
Director,
Bureau of Investigation.

cc: Charles E. Stroud.

[fol. 183]

EXHIBIT 43

LAW OFFICES OF

LEBOEUF, LAMB & LEIBY
15 BROAD STREET
NEW YORK 5, N. Y.

RANDALL J. LEBOEUF, JR.
HORACE R. LAMB
ARRIAN C. LEIBY
CAMERON F. MACRAE
CHAUNCEY P. WILLIAMS, JR.
JOHN A. BROUGH
CRAIGIE LEONARD
JAMES O'MALLEY, JR.
JOHN L. GREEN
HALCYON G. SKINNER
WILLIAM R. SHERWOOD

ARVIN E. UPTON
1821 JEFFERSON PLACE, N.W.
WASHINGTON 6, D. C.

September 22, 1958

[Stamp—Bureau of Investigation—Records—SEP 25 1958.]

Hon. Sherman R. Hill, Director
Bureau of Investigation
Federal Trade Commission
Washington 25, D. C.

Re: St. Regis Paper Company
Your File No. 5510696 (*Widmaier*)
to NY 8-18-58

Dear Sir:

This acknowledges your letter of September 18th in reply to my letter of September 10th to Mr. Hale, Acting Chief Project Attorney for your Bureau.

Italicized material denotes handwritten notation.

It is noted that you have reviewed the exchange of correspondence between members of the Bureau's Staff and me regarding the above company, and that you have also reviewed the "Memorandum of Request for Information" which accompanied Mr. Stroud's letter of June 30, 1958, addressed to me.

There is no indication that you have examined the large volume of information, or any analysis thereof by your Bureau, previously furnished by our client to your Bureau in response to a letter of Mr. Stroud dated September 7, 1956 to our client, and also the subject of a subpoena duces tecum issued by the Commission to our client dated September 13, 1957.

Likewise, it does not appear that you have considered the closing portions of the stenographic record of the so-called "hearing" in this matter before the Commission's attorney, Mr. Seidman, on December 13, 1957 at the New York office of the Commission. I quote from that record the following (at page 89):

> "MR. SEIDMAN: It now appearing that with the exception of the census reports which will, when received, be furnished by mail, that the witness has fully responded to all specifications of the subpoena to the extent that the papers, documents and records requested were within his control as Secretary of St. Regis Paper Company, this hearing is terminated.
> [fol. 184] "MR. LAMB: And the witness discharged, subject to the mailing.
> "MR. SEIDMAN: And Mr. Crawford relieved from further obligation under the subpoena duces tecum subject to his furnishing the copies of the census reports, when received.
>
> (Whereupon, at 12:05 p.m., December 13, 1957, the hearing in the above-entitled matter was concluded.)"

It is respectfully submitted that the foregoing recorded action by the Commission's duly designated attorney con-

stituted a formal ending of the Commission's investigation, initiated in September, 1956, of our client's stock acquisitions all of which, except in the case of the proposed acquisition of additional shares of the capital stock of Growers Container Corporation, were completed long prior to December 13, 1957.

In the circumstances, I am sure you will appreciate that I and my client have been deeply disturbed to receive Mr. Stroud's letter of June 30, 1958 and the 13 page "Memorandum of Request for Information" which accompanied that letter, and in which there are more than seventy separate items of requested information relating to such acquisitions, the furnishing of which would impose an onerous and expensive burden on our client.

Furthermore, I am prepared to demonstrate to your office that there are no valid grounds for the "grave concern" on the part of your office regarding any delays in the completion of the investigation initiated in September, 1956. On the contrary, my client and I endeavored with promptness and in every reasonable manner to comply with the Commission's proper request for information in that investigation which, as shown above, has been "concluded".

I must also take issue with your opinion that I have been "adequately informed" as to the "purpose" and "necessity" for the new investigation initiated by Mr. Stroud's further letter of June 30, 1958. Although a statement of the purpose and the necessity therefor has been repeatedly requested, none has been furnished. So far as I am aware, there is no provision of the Clayton Act or any other statute obligating a corporation to furnish periodically to the [fol. 185] Commission information regarding acquisitions of stocks or assets of other corporations completed at prior dates, particularly where, following those acquisitions, the Commission, at its request, has previously been furnished all of the information under the control of the corporation from which the information was requested.

I think it is pertinent to note, in this connection, that in two recent sessions of Congress, namely, the 84th Congress,

2d Session, and the 85th Congress, 1st Session, bills were introduced, the purpose of which was to compel a corporation engaged in commerce to give prior notice and furnish prescribed information to the Commission and the Attorney General regarding a proposed acquisition of the stock or assets of another corporation engaged in commerce. Those bills failed of enactment into laws although extensive hearings were conducted thereon by congressional committees and representatives of the administration urged adoption. It seems to us that your Bureau is attempting, by Mr. Stroud's letter of June 30th and the memorandum which accompanied it, to obtain from our client information effecting acquisitions which long ago were completed and which Congress declined to authorize in the case of prospective acquisitions.

I am, of course, willing to discuss with Mr. Stroud, at a mutually convenient time, the problem which has been raised by his letter of June 30th and the memorandum which accompanied it, if Mr. Stroud is of the opinion that such discussion will serve a useful purpose.

Respectfully yours,

/s/ Horace R. Lamb

cc: Charles E. Stroud

[fol. 186]

EXHIBIT 44

FEDERAL TRADE COMMISSION

WASHINGTON 25

BUREAU OF INVESTIGATION
OFFICE OF THE DIRECTOR

SEP 26 1958

LeBoeuf, Lamb & Leiby,
15 Broad Street,
New York 5, New York.

Attention: Mr. Horace Lamb.

Re: File No. 5510696,
St. Regis Paper Company.

Gentlemen:

Your letter of September 22, 1958, which is in reply to my letter of September 10, has been received.

I have been informed that you and Attorney Charles Stroud, of the Commission's New York Office, have agreed to meet on October 7 for the purpose of discussing the "Memorandum of Request for Information" which accompanied Attorney Stroud's letter of June 30.

It is my sincere hope that at this meeting an understanding will be reached for obtaining the requested information from your client on a voluntary basis.

Sincerely yours,

/s/ SHERMAN R. HILL

Sherman R. Hill,
Director,
Bureau of Investigation.

cc: Charles E. Stroud,
New York Branch Office.

[fol. 187]

EXHIBIT 45

LAW OFFICES OF

LEBOEUF, LAMB & LEIBY
15 BROAD STREET
NEW YORK 5, N. Y.

RANDALL J. LEBOEUF, JR.
HORACE R. LAMB
ADRIAN C. LEIBY
CAMERON F. MAC RAE
CHAUNCEY P. WILLIAMS, JR.
JOHN A. BROUGH
CRAIGH LEONARD
JAMES O'MALLEY, JR.
JOHN L. GROSE
HALCYON G. SKINNER
WILLIAM R. SHERWOOD

ARVIN E. UPTON
1821 JEFFERSON PLACE, N. W.
WASHINGTON 6, D. C.

November 7, 1958

Charles E. Stroud, Esq., Attorney
Federal Trade Commission
New York Branch Office
United States Court House
Foley Square
New York 7, New York

In re File No. 5510696
St. Regis Paper Company

Dear Mr. Stroud:

Since our conference at this office on October 9, 1958, I have endeavored to gather some of the information requested in the memorandum which accompanied your letter to me dated June 30, 1958. I have compiled and have assembled this information at my office, and at a mutually agreeable time will submit it for your examination, and to take copies thereof.

At the present time I am engaged in a trial at the United States District Court before Judge Ryan and a jury, which

I am hopeful will be concluded in about 10 days. Promptly thereafter I hope we will be able to get together and discuss the foregoing.

Yours very truly,

/s/ HORACE R. LAMB

cc: Hon. Sherman R. Hill,
Director,
Bureau of Investigation
Federal Trade Commission
Washington 25, D. C.

[fol. 188]

EXHIBIT 46

FEDERAL TRADE COMMISSION

WASHINGTON 25

New York Branch Office:
U. S. Court House,
Foley Square,
New York 7, N. Y.

November 10, 1958.

Horace R. Lamb, Esq.,
LeBoeuf, Lamb & Leiby,
15 Broad Street,
New York 5, New York.

In re: File No. 5510696,
St. Regis Paper Company.

Dear Mr. Lamb:

This will acknowledge receipt of your letter of November 7th. I will expect to hear further from you in connection with the information you are assembling when you conclude the trial in which you are now engaged.

Very truly yours,

/s/ CHARLES E. STROUD

Charles E. Stroud,
Assistant Attorney in Charge,
New York Office.

[fol. 189]

EXHIBIT 47

UNITED STATES OF AMERICA

Before the

FEDERAL TRADE COMMISSION

COMMISSIONERS:

John W. Gwynne, Chairman
Robert T. Secrest
Sigurd Anderson
William C. Kern
Edward T. Tait

File No. 5510696

In the Matter of

ST. REGIS PAPER COMPANY

MOTION TO VACATE RESOLUTION AND ORDERS REQUIRING SPECIAL REPORTS PURSUANT THERETO

Dated: January 19, 1959

LAW OFFICES OF

LE BOEUF, LAMB & LEIBY
15 BROAD STREET
NEW YORK 5, N. Y.

[fol. 190]

UNITED STATES OF AMERICA

BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS:

John W. Gwynne, Chairman
Robert T. Secrest
Sigurd Anderson
William C. Kern
Edward T. Tait

File No. 5510696

In the Matter of

ST. REGIS PAPER COMPANY

MOTION TO VACATE RESOLUTION AND ORDERS REQUIRING SPECIAL REPORTS PURSUANT THERETO

St. Regis Paper Company (herein called "St. Regis"), by its attorney Horace R. Lamb, Esq., moves the Commission for an order or orders, as follows:

1. Setting aside, rescinding and revoking in all respects the Commission's purported resolution entitled "RESOLUTION DIRECTING INVESTIGATION OF THE ACQUISITION BY ST. REGIS PAPER COMPANY OF THE STOCK OR ASSETS, OR BOTH THE STOCK AND ASSETS, OF OTHER CORPORATIONS" and the Commission's purported "Order Requiring Filing Report" in the form of a letter on the letterhead of the Commission, bearing a stamped date "January 9, 1959", purporting to be made pursuant to said resolution, addressed to St. Regis and signed by direction of the Commission by Robert M. [fol. 191] Parrish, as Secretary, copies of which said resolution and letter were delivered by registered mail to St. Regis at its office in New York on January 12, 1959, as well as all other similarly entitled purported orders, purportedly made pursuant to said resolution, in the form of separate letters, bearing the same date and similarly signed, addressed to former corporations heretofore merged into St.

Regis and other corporations whose stocks or assets have heretofore been acquired by St. Regis, and received by St. Regis or said other corporations on January 12, 1959, on the following grounds:

(a) That the adoption of said purported resolution and making said purported orders was not authorized by law;

(b) That in adopting said purported resolution and making said purported orders the Commission acted beyond and in excess of the powers delegated to the Commission in Section 6, subdivisions (a) and (b), of the Federal Trade Commission Act (15 U.S.C., Sec. 46 (a) and (b)), on which the Commission purportedly relied in the adoption of said purported resolution and issuing said purported orders;

(c) That the said provisions of the said Federal Trade Commission Act does not confer any power upon the Commission to require information from any corporation relating to an alleged violation of Section 7 of the Clayton Act, as amended (15 U.S.C., Sec. 18);

(d) That the information relating to the acquisitions by St. Regis of the stock or assets of other corporations heretofore furnished voluntarily to the Commission and its [fol. 192] representatives by St. Regis during the period since September 7, 1956 to date is adequate, without the necessity of any further special report to enable the Commission to reach a determination (which, in the circumstances, is the only determination that can be made by the Commission), namely, that in the acquisitions by St. Regis of the stock or assets of other corporations St. Regis has not violated any provision of Section 7 of the Clayton Act.

(e) That in adopting the said purported resolution and issuing said purported order, the Commission has acted without any prior notice to St. Regis and without any opportunity of St. Regis to be heard by the Commission or by any of its representatives, and has acted in conflict with and contravention of the understandings and arrangements voluntarily entered into between the duly authorized representatives of the Commission and the attorneys for St. Regis with regard to the furnishing by St. Regis, on a voluntary basis, of information relating to the acquisitions by

St. Regis of the stocks or assets of other corporations, all of which arrangements and the correspondence relating thereto bear the same file number, to wit, 5510696, as does the said purported resolution and purported order of the Commission mentioned above.

(f) That compliance with said purported resolution and said purported order would duplicate a considerable part of the information heretofore furnished or being furnished [fol. 193] by St. Regis to the Commission, and compliance would, therefore, be unreasonable, unnecessarily repetitious, annoying, burdensome and cause St. Regis, its officers, employees and representatives to expend valuable time and effort thereto, particularly at a time when the persons in the employ of St. Regis who would be responsible for the preparation of the information directed to be furnished are engaged in the completion of numerous other duties relating to the accounting and recording of the business and affairs of St. Regis for the year ended December 31, 1958 and the preparation and issuance of the annual report of St. Regis to its stockholders which is due to be issued on or about March 15, 1959.

2. Alternatively, that the purported order be suspended for such reasonable period as will enable counsel for St. Regis to continue conferences with representatives of the Commission to whom St. Regis has previously furnished and is willing to continue to furnish, on a voluntary basis, such further information and documents to supplement, but not duplicate, the information reasonably required to enable the Commission to conclude its investigation previously commenced on a voluntary basis.

3. That a date for the hearing of this motion be set for 11:00 A.M. on Tuesday, January 27, 1959, before the full Commission at its office in the City of Washington, at which time counsel for St. Regis may be granted an opportunity to be heard orally and to file any necessary brief or [fol. 194] other documents which may properly be considered by the Commission in support of this motion; and in the event that this motion cannot be heard on said date, that the hearing of said motion be set down at a date sub-

sequent to February 22, 1959, for the reason that during the period from January 29 to approximately February 21, 1959 counsel for St. Regis will be absent and otherwise engaged;

4. That pending the hearing and determination of this motion, as requested herein, the Commission, by an appropriate order or orders, suspend any requirement on the part of St. Regis to comply with the said purported resolution and the said purported orders requiring the filing of special reports, as hereinabove mentioned;

5. That, without prejudice to the relief requested herein and notwithstanding the determination of this motion or any part thereof, because of the shortness of time and the large volume of information to be included in the several special reports called for by the several purported orders pursuant to said purported resolution, the Commission extend until March 15, 1959 the time within which said special reports may be filed with the Commission, and

6. That the Commission grant St. Regis and each of the other said corporations whose stocks or assets, or both, have been acquired by St. Regis such other, further, different and additional relief as in the premises may be just and proper.

Respectfully submitted,

ST. REGIS PAPER COMPANY

By /s/ HORACE R. LAMB

Horace R. Lamb
Its Attorney

Dated: January 19, 1959

[fol. 195]

EXHIBIT 51

UNITED STATES OF AMERICA

BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS:

John W. Gwynne, Chairman
Robert T. Secrest
Sigurd Anderson
William C. Kern
Edward T. Tait

File No. 5510696

In the Matter of

ST. REGIS PAPER COMPANY

ORDER SUSPENDING ORDER REQUIRING SPECIAL REPORT AND GRANTING HEARING

The Commission having reconsidered its order of January 23, 1959, denying the motion filed January 22, 1959 by St. Regis Paper Company to vacate the Commission's resolution of January 6, 1959, which instituted for specified purposes an investigation of St. Regis Paper Company and other corporations, and to vacate the Commission's orders of January 9, 1959 requiring St. Regis Paper Company and certain other corporations to file special reports in connection with the said investigation, and having reconsidered its order of February 11, 1959 denying the petition of St. Regis Paper Company filed February 2, 1959 for reconsideration of the said order of January 23, 1959 denying the said motion; and

The Commission, upon reconsideration, being of the opinion that St. Regis Paper Company is entitled to a hearing on some, but not all, of the points made in the said motion filed January 22, 1959;

IT IS ORDERED that the Commission's order of January 23, 1959 denying the said motion of St. Regis Paper Com-

pany and the Commission's order of February 11, 1959 denying the said petition of St. Regis Paper Company, be, and they hereby are, vacated.

[fol. 196] It Is Further Ordered that St. Regis Paper Company be, and it hereby is, permitted to file with the Commission on or before March 27, 1959, a brief in support of its motion filed January 22, 1959 to vacate the Commission's orders of January 9, 1959, requiring special reports, which shall be strictly limited to the contentions that the requirements of the said orders are unreasonable, and that to comply with them would be unreasonably burdensome and would result in unnecessary and unreasonable duplication of documents already furnished to the Commission. In support of its brief, St. Regis Paper Company may file at the same time other documents which may properly be considered by the Commission in connection with these contentions, which may include a descriptive list of all documents heretofore furnished the Commission by St. Regis Paper Company in connection with the Commission's investigation of the acquisition by the company of the stock or assets, or the stock and assets, of other corporations during the period from January 1, 1954, to date.

It Is Further Ordered that consideration of the request for oral argument be, and it hereby is, deferred pending consideration of the brief and documents submitted pursuant to this order.

It Is Further Ordered that the directions contained in the Commission's orders of January 9, 1959, for the submission within thirty days after the receipt of said orders of the special reports therein described, be, and they hereby are, suspended pending the Commission's decision on the hearing granted by this order.

By the Commission.

/s/ John R. Heim

John R. Heim
Acting Secretary.

Issued: March 5, 1959

[fol. 197]

EXHIBIT 53

UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS:

John W. Gwynne, Chairman
Robert T. Secrest
Sigurd Anderson
William C. Kern
Edward T. Tait

File No. 5510696

In the Matter of

ST. REGIS PAPER COMPANY

ORDER DENYING MOTION TO VACATE

Counsel for St. Regis Paper Company, by motion filed January 22, 1959, having requested the Commission to vacate its resolution of January 6, 1959, and its orders of January 9, 1959, requiring St. Regis Paper Company and certain other corporations to file special reports described in said orders, and the Commission having duly considered the matter and determined for reasons stated in the accompanying memorandum that said motion should be denied:

IT IS ORDERED that the motion be, and it hereby is, denied.

IT IS FURTHER ORDERED that the reports originally required to be filed within thirty days after service of the Commission's orders of January 9, 1959, be filed on or before May 28, 1959.

By the Commission.

(Seal)

/s/ ROBERT M. PARRISH

Robert M. Parrish,
Secretary.

ISSUED: May 6, 1959

[fol. 198]

EXHIBIT 54

UNITED STATES OF AMERICA

BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS:

John W. Gwynne, Chairman
Robert T. Secrest
Sigurd Anderson
William C. Kern
Edward T. Tait

File No. 551 0696

In the Matter of

ST. REGIS PAPER COMPANY

MEMORANDUM OPINION RULING ON MOTION TO VACATE

By the Commission:

The Commission on January 6, 1959, adopted a resolution entitled "Resolution Directing Investigation of the Acquisition by St. Regis Paper Company of the Stock or Assets, or Both the Stock and Assets, of Other Corporations." The resolution and orders dated January 9, 1959, requiring the filing by St. Regis Paper Company and other named corporations of special reports, were thereafter served. On January 22, 1959, St. Regis Paper Company filed a motion to vacate the resolution and orders, which motion was denied by the Commission on January 23, 1959. A petition for reconsideration of that action thereafter was filed by St. Regis Paper Company and denied by the Commission on February 11, 1959.

On March 5, 1959, however, the Commission reconsidered its prior actions denying the motion to vacate and the petition for reconsideration; and having determined that St. Regis Paper Company should be accorded a hearing on some of the points made in the motion of January 22,

1959, the Commission vacated the aforementioned orders of January 23, 1959, and February 11, 1959. Leave to file brief in support of the motion to vacate also was granted, with the stipulation that it be limited to contentions that the requirements of the orders requiring special reports [fol. 199] are unreasonable and that to comply with them would be unreasonably burdensome and would result in unreasonable and unnecessary duplication of documents already furnished to the Commission. Pursuant to such leave, St. Regis Paper Company filed brief on March 27, 1959.

Prior to the Commission's adoption of the resolution and issuance of the orders requiring special reports, St. Regis Paper Company had furnished a substantial number of documents to the Commission relating to certain of its acquisitions, which submissions included approximately two hundred documents produced in response to the demands of an investigational subpoena duces tecum duly issuing on September 13, 1957. These and certain additional documents transmitted since issuance of the aforesaid orders are the ones which the brief contends will be unnecessarily and unreasonably duplicated in the event the information and material specified in the orders are required to be furnished. It is noted at the outset that documents stated in the brief as heretofore furnished by St. Regis Paper Company include its annual report for 1957, and certain prospectuses. Item 1(d) of the St. Regis Paper Company order directs it to submit a copy of its annual report for that year and each prospectus issued since January 1, 1958. An instance of duplication respecting material required to be submitted under Item 1(d) and documents heretofore supplied is accordingly acknowledged. However, inasmuch as one of those prospectuses was not submitted until after the orders requiring special reports were issued and duly considering also the comparatively minor number of documents so involved, this instance of duplication obviously does not support conclusions of undue or unreasonable duplication as of now or the time of issuance of the orders for special reports.

Exception is also taken by St. Regis Paper Company to Items 1(a) and (b) directing submission of true copies

of contracts with Growers Container Corporation and F. J. Kress Box Company relating to their respective acquisitions. As noted in the brief, copies of the prospectuses forming part of the printed registration statements filed with the Securities and Exchange Commission in reference to those acquisitions were respectively supplied to the Commission on August 12, 1958, and January 21, 1959. Also [fol. 200] included with the latter submission of material, which occurred after the orders requiring special reports were issued, was a copy of an unexecuted agreement between shareholders of F. J. Kress Box Company and St. Regis Paper Company. It sets forth various understandings of the parties respecting the offer for exchange of stock and identifies certain documentary exhibits as attached thereto. Only one of such exhibits was appended to the document tendered the Commission, however. It accordingly cannot be properly regarded as a true copy of the agreement or duplicative of any of the documents specified under Item 1(b) of the order.

That the various offers for exchange of capital stock attending the various acquisitions in each instance proceeded pursuant to a prospectus forming part of printed registration statements does not indicate, in and of itself, that the requests for copies of contracts and agreements governing those acquisitions are unreasonably or unnecessarily duplicative of the prospectus documents. This holds true even though the prospectuses included information taken from the respective intercorporate contracts or options which were the bases for the resulting exchanges of capital stock. The prospectuses relating to the offers to holders of capital stock of the two corporations named in Items 1(a) and (b) recite that adequacy and accuracy of matters there stated had not been passed on by the Securities and Exchange Commission. The public interest requires that the Commission be assured of securing accurate and complete information concerning the original and basic agreements which inspired and governed each of the parties to the acquisitions.

Some of the prior secured marketing information and other data included in tabulations and annual or other re-

ports originally prepared by St. Regis Paper Company or affiliates for their use or for information of stockholders or official agencies have general relevancy to and bearing on certain of the documents and information requested to be included in the special reports. Although those kindred data and documents perhaps may be utilized by St. Regis Paper Company in compiling complete and accurate special reports, they clearly fall short of supplying the information and material specified under the orders. One of the objectives of the orders is to obtain information which will assist the Commission in delineating the relevant markets for various categories of the paper products produced by [fol. 201] St. Regis Paper Company or the corporations being integrated with it. Movant has made no adequate factual showing that compliance with the orders will result in unnecessary or unreasonable duplication of prior furnished documents. On the contrary, it appears reasonable to conclude that any duplication entailed in complying with the orders will, at most, be relatively minor and insubstantial.

The contentions by St. Regis Paper Company that the requirements of the orders are unreasonable because unauthorized in law and because compliance with them would be unreasonably burdensome also have been considered. The Commission is of the view that its investigation respecting the acquisitions, together with the requirements for special reports, has sound statutory basis. The brief, moreover, contains no showing that the requirements of the orders are otherwise unreasonable and cites no substantive facts indicating that compliance therewith would be unreasonably burdensome. Furthermore, the information required and specified under the orders is necessary for informed administrative determinations respecting the effects, actual or probable, of the acquisitions or mergers in which St. Regis Paper Company has been a participant.

The motion to vacate the Commission's resolution and orders requiring filing of special reports is being denied. Inasmuch as informed decision on the merits of the motion does not require that the matter be argued orally, the request for oral argument likewise is denied. Also denied is

the brief's request that the orders be suspended pending an informal conference respecting items regarded by St. Regis Paper Company as duplicative of documents previously furnished.

Under the order of March 5, 1959, the Commission's orders of January 9, 1959, for the submission within thirty days after the receipt of said orders of the special reports therein described were suspended pending decision on the hearing granted. The order issuing herewith directs that the corporations named in the orders of January 9, 1959, file the special reports there described on or before May 28, 1959.

May 6, 1959

[fol. 202]

EXHIBIT 58

UNITED STATES OF AMERICA

BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS:

Earl W. Kintner, Chairman
Robert T. Secrest
Sigurd Anderson
William C. Kern
Edward T. Tait

File No. 5510696.

In the Matter of

ST. REGIS PAPER COMPANY, et al.

NOTICE OF DEFAULT TO POLLOCK PAPER CORPORATION.

WHEREAS, the Federal Trade Commission on January 6, 1959, pursuant to the authority granted in subsections (a) and (b) of Section 6 of the Federal Trade Commission Act

(15 U.S.C., Sec. 46(a)(b)) and to its published procedures and rules of practice (16 CFR, 1958 Supp., 1.1 et seq.), adopted a resolution directing an investigation, for the purposes stated in the resolution, of the organization, business, conduct, practices, and management of St. Regis Paper Company, a corporation, and of the corporations whose stock or assets, or both stock and assets, have been acquired by St. Regis Paper Company on or after January 1, 1954, and the relation of St. Regis Paper Company and the acquired corporations to each other and to other corporations; and,

WHEREAS, the Commission on January 9, 1959, pursuant to the said resolution, issued its order requiring Pollock Paper Corporation to submit to the Commission within thirty days a special report containing the information and documents specified in the order; and,

WHEREAS, the said resolution and the said order requiring the special report were served on Pollock Paper Corporation by registered mail on January 12, 1959; and,

[fol. 203] WHEREAS, the Commission on March 5, 1959, issued, and on March 9, 1959, served on Pollock Paper Corporation by registered mail, its order suspending the directions contained in the Commission's said order requiring the special report pending further consideration of a motion to vacate the said order filed by St. Regis Paper Company on January 22, 1959; and,

WHEREAS, the Commission, on May 6, 1959, issued its opinion and order denying the said motion, and directing that the special report originally required to be filed within thirty days after service of the said order of January 9, 1959, be filed on or before May 28, 1959; and,

WHEREAS, the Commission's said opinion and order of May 6, 1959, were served on Pollock Paper Corporation by registered mail on May 11, 1959; and,

WHEREAS, Pollock Paper Corporation has failed to file the special report required by the said order of January 9, 1959, on or before May 28, 1959, or at any time thereafter prior to the date of this notice of default, and

no additional time having been granted by the Commission for the filing of the said special report; and,

WHEREAS, Section 10 of the Federal Trade Commission Act (15 U.S.C., Sec. 50) provides in part as follows:

> "If any corporation required by this Act to file any annual or special report shall fail so to do within the time fixed by the Commission for filing the same, and such failure shall continue for thirty days after notice of such default, the corporation shall forfeit to the United States the sum of $100 for each and every day of the continuance of such failure, which forfeiture shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of the United States brought in the district where the corporation has its principal office or in any district in which it shall do business."

[fol. 204] NOW, THEREFORE, you, Pollock Paper Corporation, are hereby notified, as provided in Section 10 of the Federal Trade Commission Act, that you are in default in having failed to file on or before May 28, 1959, or at any time thereafter, the special report containing the information and documents required by the said order of the Federal Trade Commission dated January 9, 1959.

By the Commission.

(Seal)

/s/ ROBERT M. PARRISH

Robert M. Parrish,
Secretary.

Issued: June 18, 1959

[fol. 205]

EXHIBIT 59

UNITED STATES OF AMERICA

BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS:

Earl W. Kintner, Chairman
Robert T. Secrest
Sigurd Anderson
William C. Kern
Edward T. Tait

File No. 5510696.

In the Matter of

ST. REGIS PAPER COMPANY, et al.

NOTICE OF DEFAULT TO F. J. KREBS BOX COMPANY, INC.

WHEREAS, the Federal Trade Commission on January 6, 1959, pursuant to the authority granted in subsections (a) and (b) of Section 6 of the Federal Trade Commission Act (15 U.S.C., Sec. 46(a)(b)) and to its published procedures and rules of practice (16 CFR, 1958 Supp., 1.1 et seq.), adopted a resolution directing an investigation, for the purposes stated in the resolution, of the organization, business, conduct, practices, and management of St. Regis Paper Company, a corporation, and of the corporations whose stock or assets, or both stock and assets, have been acquired by St. Regis Paper Company on or after January 1, 1954, and the relation of St. Regis Paper Company and the acquired corporations to each other and to other corporations; and,

WHEREAS, the Commission on January 9, 1959, pursuant to the said resolution, issued its order requiring F. J. Krebs Box Company, Inc., to submit to the Commission within thirty days a special report containing the information and documents specified in the order; and,

WHEREAS, the said resolution and the said order requiring the special report were served on F. J. Kress Box Company, Inc., by registered mail on January 12, 1959; and,

[fol. 206] WHEREAS, the Commission on March 5, 1959, issued, and on March 6, 1959, served on F. J. Kress Box Company, Inc., by registered mail, its order suspending the directions contained in the Commission's said order requiring the special report pending further consideration of a motion to vacate the said order filed by St. Regis Paper Company on January 22, 1959; and,

WHEREAS, the Commission, on May 6, 1959, issued its opinion and order denying the said motion, and directing that the special report originally required to be filed within thirty days after service of the said order of January 9, 1959, be filed on or before May 28, 1959; and,

WHEREAS, the Commission's said opinion and order of May 6, 1959, were served on F. J. Kress Box Company, Inc., by registered mail on May 7, 1959; and,

WHEREAS, F. J. Kress Box Company, Inc., has failed to file the special report required by the said order of January 9, 1959, on or before May 28, 1959, or at any time thereafter prior to the date of this notice of default, and no additional time having been granted by the Commission for the filing of the said special report; and,

WHEREAS, Section 10 of the Federal Trade Commission Act (15 U.S.C., Sec. 50) provides in part as follows:

> "If any corporation required by this Act to file any annual or special report shall fail so to do within the time fixed by the Commission for filing the same, and such failure shall continue for thirty days after notice of such default, the corporation shall forfeit to the United States the sum of $100 for each and every day of the continuance of such failure, which forfeiture shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of the United States brought in the district where the

corporation has its principal office or in any district in which it shall do business."

[fol. 207] Now, THEREFORE, you, F. J. Kress Box Company, Inc., are hereby notified, as provided in Section 10 of the Federal Trade Commission Act, that you are in default in having failed to file on or before May 28, 1959, or at any time thereafter, the special report containing the information and documents required by the said order of the Federal Trade Commission dated January 9, 1959.

By the Commission.

(Seal)

/s/ ROBERT M. PARRISH

Robert M. Parrish,
Secretary.

Issued: June 18, 1959

[fol. 208]

EXHIBIT 60

UNITED STATES OF AMERICA

BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS:

Earl W. Kintner, Chairman
Robert T. Secrest
Sigurd Anderson
William C. Kern
Edward T. Tait

File No. 5510696.

In the Matter of

ST. REGIS PAPER COMPANY, et al.

NOTICE OF DEFAULT TO GROWERS CONTAINER CORPORATION.

WHEREAS, the Federal Trade Commission on January 6, 1959, pursuant to the authority granted in subsections (a)

and (b) of Section 6 of the Federal Trade Commission Act (15 U.S.C., Sec. 46(a)(b)) and to its published procedures and rules of practice (16 CFR, 1958 Supp., 1.1 et seq.), adopted a resolution directing an investigation, for the purposes stated in the resolution, of the organization, business, conduct, practices, and management of St. Regis Paper Company, a corporation, and of the corporations whose stock or assets, or both stock and assets, have been acquired by St. Regis Paper Company on or after January 1, 1954, and the relation of St. Regis Paper Company and the acquired corporations to each other and to other corporations; and,

WHEREAS, the Commission on January 9, 1959, pursuant to the said resolution, issued its order requiring Growers Container Corporation to submit to the Commission within thirty days a special report containing the information and documents specified in the order; and,

WHEREAS, the said resolution and the said order requiring the special report were served on Growers Container Corporation by registered mail on January 14, 1959; and,

[fol. 209] WHEREAS, the Commission on March 5, 1959, issued, and on March 9, 1959, served on Growers Container Corporation by registered mail, its order suspending the directions contained in the Commission's said order requiring the special report pending further consideration of a motion to vacate the said order filed by St. Regis Paper Company on January 22, 1959; and,

WHEREAS, the Commission on May 6, 1959, issued its opinion and order denying the said motion, and directing that the special report originally required to be filed within thirty days after service of the said order of January 9, 1959, be filed on or before May 28, 1959; and,

WHEREAS, the Commission's said opinion and order of May 6, 1959, were served on Growers Container Corporation by registered mail on May 11, 1959; and,

WHEREAS, Growers Container Corporation has failed to file the special report required by the said order of January 9, 1959, on or before May 28, 1959, or at any time

thereafter prior to the date of this notice of default, and no additional time having been granted by the Commission for the filing of the said special report; and,

WHEREAS, Section 10 of the Federal Trade Commission Act (15 U.S.C., Sec. 50) provides in part as follows:

> "If any corporation required by this Act to file any annual or special report shall fail so to do within the time fixed by the Commission for filing the same, and such failure shall continue for thirty days after notice of such default, the corporation shall forfeit to the United States the sum of $100 for each and every day of the continuance of such failure, which forfeiture shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of the United States brought in the district where the corporation has its principal office or in any district in which it shall do business."

[fol. 210] NOW, THEREFORE, you, Growers Container Corporation, are hereby notified, as provided in Section 10 of the Federal Trade Commission Act, that you are in default in having failed to file on or before May 28, 1959, or at any time thereafter, the special report containing the information and documents required by the said order of the Federal Trade Commission dated January 9, 1959.

By the Commission.

(Seal)

/s/ ROBERT M. PARRISH

Robert M. Parrish,
Secretary.

Issued: June 18, 1959

[fol. 211]

EXHIBIT 61

UNITED STATES OF AMERICA

BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS:

Earl W. Kintner, Chairman
Robert T. Secrest
Sigurd Anderson
William C. Kern
Edward T. Tait

File No. 5510696.

In the Matter of

ST. REGIS PAPER COMPANY, et al.

NOTICE OF DEFAULT TO RHINELANDER PAPER COMPANY.

WHEREAS, the Federal Trade Commission on January 6, 1959, pursuant to the authority granted in subsections (a) and (b) of Section 6 of the Federal Trade Commission Act (15 U.S.C., Sec. 46(a)(b)) and its published procedures and rules of practice (16 CFR, 1958 Supp., 1.1 et seq.), adopted a resolution directing an investigation, for the purposes stated in the resolution, of the organization, business, conduct, practices, and management of St. Regis Paper Company, a corporation, and of the corporations whose stock or assets, or both stock and assets, have been acquired by St. Regis Paper Company on or after January 1, 1954, and the relation of St. Regis Paper Company and the acquired corporations to each other and to other corporations; and,

WHEREAS, the Commission on January 9, 1959, pursuant to the said resolution, issued its order requiring Rhinelander Paper Company to submit to the Commission within

thirty days a special report containing the information and documents specified in the order; and,

WHEREAS, the said resolution and the said order requiring the special report were served on Rhinelander Paper Company by registered mail on January 12, 1959; and,

[fol. 212] WHEREAS, the Commission on March 5, 1959, issued, and on March 9, 1959, served on Rhinelander Paper Company by registered mail, its order suspending the directions contained in the Commission's said order requiring the special report pending further consideration of a motion to vacate the said order filed by St. Regis Paper Company on January 22, 1959; and,

WHEREAS, the Commission, on May 6, 1959, issued its opinion and order denying the said motion, and directing that the special report originally required to be filed within thirty days after service of the said order of January 9, 1959, be filed on or before May 28, 1959; and,

WHEREAS, the Commission's said opinion and order of May 6, 1959, were served on Rhinelander Paper Company by registered mail on May 11, 1959; and,

WHEREAS, Rhinelander Paper Company has failed to file the special report required by the said order of January 9, 1959, on or before May 28, 1959, or at any time thereafter prior to the date of this notice of default, and no additional time having been granted by the Commission for the filing of the said special report; and,

WHEREAS, Section 10 of the Federal Trade Commission Act (15 U.S.C., Sec. 50) provides in part as follows:

> "If any corporation required by this Act to file any annual or special report shall fail so to do within the time fixed by the Commission for filing the same, and such failure shall continue for thirty days after notice of such default, the corporation shall forfeit to the United States the sum of $100 for each and every day of the continuance of such failure, which forfeiture shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of

the United States brought in the district where the corporation has its principal office or in any district in which it shall do business."

[fol. 213] Now, THEREFORE, you, Rhinelander Paper Company, are hereby notified, as provided in Section 10 of the Federal Trade Commission Act, that you are in default in having failed to file on or before May 28, 1959, or at any time thereafter, the special report containing the information and documents required by the said order of the Federal Trade Commission dated January 9, 1959.

By the Commission.

(Seal)

/s/ ROBERT M. PARRISH

Robert M. Parrish,
Secretary.

Issued: June 18, 1959

[fol. 214]

EXHIBIT 62

UNITED STATES OF AMERICA

BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS:

Earl W. Kintner, Chairman
Robert T. Secrest
Sigurd Anderson
William C. Kern
Edward T. Tait

File No. 5510696.

In the Matter of

ST. REGIS PAPER COMPANY, et al.

NOTICE OF DEFAULT TO PACIFIC WAXED PAPER COMPANY.

WHEREAS, the Federal Trade Commission on January 6, 1959, pursuant to the authority granted in subsections (a)

and (b) of Section 6 of the Federal Trade Commission Act (15 U.S.C., Sec. 46(a)(b)) and to its published procedures and rules of practice (16 CFR, 1958 Supp., 1.1 et seq.), adopted a resolution directing an investigation, for the purposes stated in the resolution, of the organization, business, conduct, practices, and management of St. Regis Paper Company, a corporation, and of the corporations whose stock or assets, or both stock and assets, have been acquired by St. Regis Paper Company on or after January 1, 1954, and the relation of St. Regis Paper Company and the acquired corporations to each other and to other corporations; and,

WHEREAS, the Commission on January 9, 1959, pursuant to the said resolution, issued its order requiring Pacific Waxed Paper Company to submit to the Commission within thirty days a special report containing the information and documents specified in the order; and,

WHEREAS, the said resolution and the said order requiring the special report were served on Pacific Waxed Paper Company by registered mail on January 13, 1959; and,

[fol. 215] WHEREAS, the Commission on March 5, 1959, issued, and on or about March 9, 1959, served on Pacific Waxed Paper Company by registered mail, its order suspending the directions contained in the Commission's said order requiring the special report pending further consideration of a motion to vacate the said order filed by St. Regis Paper Company on January 22, 1959; and,

WHEREAS, the Commission, on May 6, 1959, issued its opinion and order denying the said motion, and directing that the special report originally required to be filed within thirty days after service of the said order of January 9, 1959, be filed on or before May 28, 1959; and,

WHEREAS, the Commission's said opinion and order of May 6, 1959, were served on Pacific Waxed Paper Company by registered mail on May 11, 1959; and,

WHEREAS, Pacific Waxed Paper Company has failed to file the special report required by the said order of January 9, 1959, on or before May 28, 1959, or at any time

thereafter prior to the date of this notice of default, and no additional time having been granted by the Commission for the filing of the said special report; and,

WHEREAS, Section 10 of the Federal Trade Commission Act (15 U.S.C., Sec. 50) provides in part as follows:

> "If any corporation required by this Act to file any annual or special report shall fail so to do within the time fixed by the Commission for filing the same, and such failure shall continue for thirty days after notice of such default, the corporation shall forfeit to the United States the sum of $100 for each and every day of the continuance of such failure, which forfeiture shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of the United States brought in the district where the corporation has its principal office or in any district in which it shall do business."

[fol. 216] NOW, THEREFORE, you, Pacific Waxed Paper Company, are hereby notified, as provided in Section 10 of the Federal Trade Commission Act, that you are in default in having failed to file on or before May 28, 1959, or at any time thereafter, the special report containing the information and documents required by the said order of the Federal Trade Commission dated January 9, 1959.

By the Commission.

(Seal)

/s/ ROBERT M. PARRISH

Robert M. Parrish,
Secretary.

Issued: June 18, 1959

[fol. 217]

EXHIBIT 63

UNITED STATES OF AMERICA

BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS:

Earl W. Kintner, Chairman
Robert T. Secrest
Sigurd Anderson
William C. Kern
Edward T. Tait

File No. 5510696.

In the Matter of

ST. REGIS PAPER COMPANY, et al.

NOTICE OF DEFAULT TO CUPPLES-HESSE CORPORATION.

WHEREAS, the Federal Trade Commission on January 6, 1959, and on June 4, 1959, pursuant to the authority granted in subsections (a) and (b) of Section 6 of the Federal Trade Commission Act (15 U.S.C., Sec. 46(a)(b)) and to its published procedures and rules of practice (16 CFR, 1958 Supp., 1.1 et seq.), adopted resolutions directing an investigation, for the purposes stated in the resolutions, of the organization, business, conduct, practices, and management of St. Regis Paper Company, a corporation, and of the corporations whose stock or assets, or both stock and assets, have been acquired by St. Regis Paper Company on or after January 1, 1954, and the relation of St. Regis Paper Company and the acquired corporations to each other and to other corporations; and,

WHEREAS, the Commission on June 8, 1959, pursuant to the said resolutions, issued its order requiring Cupples-Hesse Corporation to submit to the Commission within

thirty days a special report containing the information and documents specified in the order; and,

WHEREAS, the said resolutions and the said order requiring the special report were served on Cupples-Hesse Corporation by registered mail on June 10, 1959; and,

WHEREAS, Cupples-Hesse Corporation has failed to file the special report required by the said order of June 8, 1959, on or before July 10, 1959, or at any time thereafter [fol. 218] prior to the date of this notice of default, and no additional time having been granted by the Commission for the filing of said special report; and,

WHEREAS, Section 10 of the Federal Trade Commission Act (15 U.S.C., Sec. 50) provides in part as follows:

> "If any corporation required by this Act to file any annual or special report shall fail so to do within the time fixed by the Commission for filing the same, and such failure shall continue for thirty days after notice of such default, the corporation shall forfeit to the United States the sum of $100 for each and every day of the continuance of such failure, which forfeiture shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of the United States brought in the district where the corporation has its principal office or in any district in which it shall do business."

NOW, THEREFORE, you, Cupples-Hesse Corporation, are hereby notified as provided in Section 10 of the Federal Trade Commission Act that you are in default in having failed to file on or before July 10, 1959, or at any time thereafter, the special report containing the information and documents required by the said order of the Federal Trade Commission dated June 8, 1959.

By the Commission.

(Seal) /s/ ROBERT M. PARRISH

Robert M. Parrish,
Secretary.

Issued: July 22, 1959.

[fol. 219]

EXHIBIT 64

UNITED STATES OF AMERICA

BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS:

Earl W. Kintner, Chairman
Robert T. Secrest
Sigurd Anderson
William C. Kern
Edward T. Tait

File No. 5510696.

In the Matter of

ST. REGIS PAPER COMPANY, et al.

NOTICE OF DEFAULT TO NORTHWEST DOOR COMPANY

WHEREAS, the Federal Trade Commission on January 6, 1959, and on June 4, 1959, pursuant to the authority granted in subsections (a) and (b) of Section 6 of the Federal Trade Commission Act (15 U.S.C., Sec. 46(a)(b)) and to its published procedures and rules of practice (16 CFR, 1958 Supp., 1.1 et seq.), adopted resolutions directing an investigation, for the purposes stated in the resolutions, of the organization, business, conduct, practices, and management of St. Regis Paper Company, a corporation, and of the corporations whose stock or assets, or both stock and assets, have been acquired by St. Regis Paper Company on or after January 1, 1954, and the relation of St. Regis Paper Company and the acquired corporations to each other and to other corporations; and,

WHEREAS, the Commission on June 8, 1959, pursuant to the said resolutions, issued its order requiring Northwest Door Company to submit to the Commission within thirty

days a special report containing the information and documents specified in the order; and,

WHEREAS, the said resolutions and the said order requiring the special report were served on Northwest Door Company by registered mail on June 12, 1959; and,

WHEREAS, Northwest Door Company has failed to file the special report required by the said order of June 8, 1959, on or before July 12, 1959, or at any time thereafter prior to the date of this notice of default, and no additional time having been granted by the Commission for the filing of said special report; and,

[fol. 220] WHEREAS, Section 10 of the Federal Trade Commission Act (15 U.S.C., Sec. 50) provides in part as follows:

> "If any corporation required by this Act to file any annual or special report shall fail so to do within the time fixed by the Commission for filing the same, and such failure shall continue for thirty days after notice of such default, the corporation shall forfeit to the United States the sum of $100 for each and every day of the continuance of such failure, which forfeiture shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of the United States brought in the district where the corporation has its principal office or in any district in which it shall do business."

NOW, THEREFORE, you, Northwest Door Company, are hereby notified, as provided in Section 10 of the Federal Trade Commission Act, that you are in default in having failed to file on or before July 12, 1959, or at any time thereafter, the special report containing the information and documents required by the said order of the Federal Trade Commission dated June 8, 1959.

By the Commission.

(Seal) /s/ ROBERT M. PARRISH

Robert M. Parrish,
Secretary.

Issued: July 22, 1959.

[fol. 221]

EXHIBIT 86

June 8, 1959

Robert M. Parrish, Esq., Secretary
Federal Trade Commission
Washington 25, D. C.

Re: In the Matter of St. Regis Paper Company—File No. 5510696

Dear Sir:

This acknowledges the receipt of a copy of the order of the Commission issued June 1, 1959.

In the third paragraph of the order we note that the Commission has granted permission for counsel for the petitioner to inspect documentary material previously furnished to the Commission.

[fol. 222] We respectfully direct your attention to the provisions of subdivision (d) of our client's petition dated May 20, 1959 (filed May 22, 1959), which reads as follows:

> "(d) That the Commission make available for inspection by counsel for petitioner and inclusion as a part of the proper record of the proceedings in this matter either all of the specific documents, records, reports and other information heretofore voluntarily furnished the Commission and its representatives by petitioner in connection with the Commission's investigation of the acquisition by petitioner of the stocks or assets or stocks and assets of other corporations during the period from 1954 to date, or proper summaries thereof."

Since it may be necessary to have the determination of the Commission reviewed in the courts, it is respectfully suggested that the Commission cause to be prepared an adequate list of all of the specific records, documents, copies of minutes and all other records and information previously furnished to the Commission by petitioner so

that each of such records and documents may be specifically identified and referred to in connection with a court review of the Commission's proceedings.

In connection with the foregoing, if the Commission so desires, and will fix the date, hour and place for the examination and inspection of all such documentary material for the purposes stated above, we shall be pleased to have a representative of counsel for the petitioner attend at such time and place with a representative of the Commission's counsel, to the end that the Commission's counsel and petitioner's counsel may reach an agreement regarding the documentary material previously furnished. [fol. 223] In regard to the furnishing of any additional information to the Commission, particularly as ordered by special reports under Section 6 of the Federal Trade Commission Act, we believe it has been made clear to the Commission that it is the position of the petitioner, St. Regis, that the Commission has no power under Section 6 of the Federal Trade Commission Act to require the filing of such special reports for the purposes previously stated by the Commission and that any additional documents or information which the Commission may require will be furnished only on a voluntary basis, which is the same basis on which all previous material has been furnished the Commission in connection with its investigation of our client's acquisition of the stocks or assets or stocks and assets of other corporations for the purpose of enabling the Commission to determine whether any of our client's acquisitions may be in violation of Section 7 of the Clayton Act.

We also repeat the offer previously made to the Commission and the members of its staff to meet with representatives of the Commission to discuss any phase of the Commission's investigation and the numerous documents, records and information previously furnished to assist the Commission in the completion of its investigation.

Respectfully yours,

HORACE R. LAMB

[fol. 224]

EXHIBIT 110

LAW OFFICES OF

LEBOEUF, LAMB & LEIBY
15 BROAD STREET
NEW YORK 5, N. Y.

RANDALL J. LEBOEUF, JR.
HORACE R. LAMB
ADRIAN S. LEIBY
CAMERON F. MAC RAE
CHAUNCEY P. WILLIAMS, JR.
JOHN A. BROUGH
CRAIGH LEONARD
JAMES O'MALLEY, JR.
JOHN L. GROSE
HALCYON G. SKINNER
WILLIAM R. SHERWOOD

ARVIN E. UPTON
1821 JEFFERSON PLACE, N. W.
WASHINGTON 6, D. C.

[Stamp—Federal Trade Commission—Received—SEP 1 1959 *Wm. McCauley*—Secretary.]

August 31, 1959

John R. Heim, Esq.,
Acting Secretary
Federal Trade Commission
Washington 25, D. C.

Re: St. Regis Paper Company
File No. 5510696

Dear Mr. Heim:

This acknowledges your letter of August 21st, in which you state that my letter of August 18th has been received and "has been called to the attention of the Commission". It is also noted, with regret, that the Commission does not find satisfactory my offer to make available to the Commission's authorized representative the documents and in-

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Italicized material denotes handwritten notation.

formation as offered in my letter of August 18th, and that "nothing short" of the written reports as directed by the Commission "will be satisfactory".

Your statement appears to warrant the conclusion that the Commission is more interested in form than substance; that the Commission finds greater satisfaction in forcing our client into an acceptance of a challenged legal power of the Commission under Section 6(b) of the Federal Trade Commission Act than in ascertaining by personal interview and inspection the additional facts relating to our client's acquisitions of the stocks and assets of other corporations, and that, in the actual conduct of an investigation of a stock acquisition to determine whether Section 7 of the Clayton Act has any application, the Commission's course is other than as described in the Commission's 1958 Report to Congress (pages 22, 23 and 24; see also pages 9 and 10).

In the third paragraph of your letter you write that the Commission "also notes" my repeated request "for a conference respecting this matter". Your letter then attempts to state, quite inadequately, the prior history of the Commission's investigation of our client's acquisitions, which began with a letter dated September 7, 1956.

Whoever drafted that portion of your letter of August 21st, we submit, has not made an accurate statement in [fol. 225] saying that a "major portion of the information and documents have not been forthcoming short of compulsory process".

The true facts are that the Commission has never resorted to any "compulsory process" and has not applied to any court to enforce a subpoena duces tecum issued by the Commission. The Commission did issue a subpoena listing certain documents which should not have been requested and which was otherwise unreasonable and improper in its scope. The subpoena was returnable before Mr. Seidman, an attorney for the Commission in charge of the Commission's New York office. In informal personal conferences and discussions with Mr. Seidman, it was possible to reach agreement regarding the voluminous documents and records of our client to be voluntarily furnished.

At the conclusion of the so-called "hearing" on the subpoena before Mr. Seidman, on the stenographic record Mr. Seidman noted that all of the documents and records in the control of St. Regis having been furnished, the "hearing" was concluded, and Mr. Crawford, Secretary of the corporation was discharged from further response to the subpoena.

Some time subsequent to the conclusion of the matter before Mr. Seidman, the Commission determined to investigate the "combined effect" of our client's acquisitions, and in that connection has requested, and subsequently purported to order, special reports under Section 6(b) to secure additional information, documents and records from our client.

It is also true that, on behalf of our client, we have protested and objected to the Commission's authority to compel written reports from our client under Section 6(b) of the Federal Trade Commission Act to determine whether the "combined effect" of our client's acquisitions presented any question under Section 7 of the Clayton Act.

You further state that the Commission "takes a different view" and that in such circumstances the Commission feels that a further conference would serve no useful purpose. This is, of course, most regrettable.

I firmly believe it would serve a most useful purpose to discuss this matter with a responsible representative of the [fol. 226] Commission. I have suggested the Chairman, any member of the Commission or its General Counsel.

If the Commission is not willing to grant an opportunity for a conference, is it not still in order to request that the Commission or its authorized representative make specific answers to the several questions which we have presented in our previous letters?

Is it fair treatment on the part of the Commission to avoid either a conference with the Commission's representative or counsel or a submission to the Attorney General of the United States of the legal question regarding the Commission's power to require reports under Section 6(b) of the Federal Trade Commission Act as a means of investigating whether Section 7 of the Clayton Act has been violated?

It has been noted that Mr. Daniel J. McCauley, Jr. has recently been appointed the new General Counsel of the Commission, and I respectfully request that a copy of this letter and of the Commission's entire file in this matter, including all of our letters, motions and applications designed to raise the question of the proper interpretation of Section 6(b) of the Federal Trade Commission Act, be brought to the attention of Mr. McCauley, and that our request for a conference to discuss this whole matter be submitted to Mr. McCauley.

It is respectfully submitted that fair dealing on the part of the Commission requires that we be granted the opportunity for such conference. The conclusory statement in your letter of August 21st that "a further conference would serve no useful purpose" is, we believe, unwarranted.

We particularly desire to discuss with Mr. McCauley whether he would be willing that we attend at any conference with the Attorney General, or at least present a written memorandum of our views, if the Commission determines to request that a suit on behalf of the United States be brought against our client to collect any penalties claimed to be due from our client for alleged default in furnishing the special reports pursuant to Section 6(b) of the Federal Trade Commission Act, as requested.

[fol. 227] Another question which we would like to discuss with the General Counsel, assuming that the Commission is not eager to request the Attorney General to commence a suit against our client, as mentioned above, and having in mind that such suit would have to be brought in the United States District Court for the Southern District of New York where our client has its principal office, is whether the members of the Commission would be willing to submit to the jurisdiction of that Court in a suit instituted by our client against the Commission for declatory judgment and injunctive relief for the purpose of having the legal question of the Commission's power under Section 6(b) judicially determined without further delay?

In view of the continued insistence by the Commission of its legal right to require written special reports from our

client pursuant to Section 6(b) of the Federal Trade Commission Act for the purpose stated above, and the giving by the Commission to our client of a purported "notice of default" in furnishing such reports within a thirty day period (which may have expired), we believe it proper to request that the above questions be taken up with the Commission's General Counsel.

We would make the request directly to the General Counsel, except for the provision of the Commission's rule (Sec. 1.4) which requires that all communications be addressed to the Commission, unless otherwise specifically directed.

We are therefore enclosing an additional copy of this letter in order that it may be submitted to Mr. McCauley.

Respectfully yours,

/s/ HORACE R. LAMB

Enclosure

[fol. 228]

EXHIBIT 111

FEDERAL TRADE COMMISSION

WASHINGTON 25

BUREAU OF INVESTIGATION
OFFICE OF
CHIEF PROJECT ATTORNEY

September 1, 1959.

Douglas W. Hawes, Esq.,
LeBoeuf, Lamb & Leiby,
15 Broad Street,
New York 5, New York.

Dear Mr. Hawes:

At your request and for your use in your inspection of the Commission's files containing documents furnished the Commission by or on behalf of St. Regis Paper Company, I have today provided you with a copy of the list of the documents so furnished. You will note that the list

contains a brief description of each of the documents. This description was prepared for use of the Commission's staff in identifying the documents and may or may not accurately describe each of the documents.

Sincerely yours,

/s/ FRANK C. HALE

Frank C. Hale,
Legal Adviser.

[fol. 229]

EXHIBIT 112

September 2, 1959

Frank C. Hale, Esq.
Bureau of Investigation
Federal Trade Commission
Washington 25, D. C.

Dear Mr. Hale:

Let me take this opportunity to thank you for permitting me to inspect the Commission's files and for furnishing me with a copy of the list of documents contained therein.

As previously indicated, such list will be regarded as merely descriptive and in no way binding on the Commission or on St. Regis Paper Company.

Very truly yours,

Douglas W. Hawes

DWH:cm

[fol. 230]

EXHIBIT 113

FEDERAL TRADE COMMISSION
WASHINGTON 25

OFFICE OF THE GENERAL COUNSEL

SEP 4 1959

Horace R. Lamb, Esq.,
LeBoeuf, Lamb & Leiby,
15 Broad Street,
New York 5, New York.

Re: St. Regis Paper Company,
File No. 5510696.

Dear Mr. Lamb:

Your letter of August 31, 1959, to the Commission's Acting Secretary has been referred to this office for reply.

From our review of this file it appears that the only inquiry contained in your letter which has not been the subject of prior correspondence with the Commission is your question as to "whether the members of the Commission would be willing to submit to the jurisdiction" of the United States District Court for the Southern District of New York in a suit by your client for a declaratory judgment and injunctive relief.

In the event such suit should be filed, you are advised that we would be compelled to note the probable lack of jurisdiction in the Court upon the authority of *Federal Trade Commission* v. *Claire Furnace Co.*, 274 U.S. 160 (1927). See also *Federal Trade Commission* v. *Maynard Coal Co.*, 22 F.2d 873 (C.A.D.C., 1927).

Your request for a conference has been noted. In view of the position you have taken throughout the Commission's investigation, I am very doubtful that further discussion will be fruitful. If, however, you feel that a conference may

lead to your client's compliance with the Commission's orders requiring reports, I shall be glad to confer with you here, if agreeable to you, during the afternoon of September 11th.

Very truly yours,

/s/ DANIEL J. MCCAULEY, JR.

Daniel J. McCauley, Jr.,
General Counsel.

[fol. 231]

IN UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF NEW YORK

EXCERPTS FROM TRANSCRIPT OF TESTIMONY—
January 25 and 26, 1960

• • • • • • •

The Court: So what you are doing to me now is presenting to me a test case then?

Mr. Suglia: Yes, we are presenting a test case.

The Court: As to whether or not an order can properly issue under Section 6(b) for the purpose of conducting or aiding in an investigation as to whether or not the Clayton Act has been violated.

(Mr. Suglia nods.)

The Court: Is that right?

Mr. Suglia: That is correct, your Honor.

• • • • • • •

Mr. Suglia: It is not for that purpose that the citation of the Morton case is given to your Honor, but rather for the exceedingly descriptive language therein, considering now that we are possibly addressing ourselves to the first question of 6(b), pre-complaint in a Section 7 Clayton Act proceeding; and in the language of the case we find—and I am reading from the quotation in our brief, and I quote:

> "We find nothing that would deny its use (the use of Section 6(b)) for any purpose within the duties of the Commission."

And then going on to say:

> "Including a 5 proceeding," being in that instance a Section 5 proceeding of the Federal Trade Commission.

But it would seem that this is a clear enunciation of the Court's opinion with respect to the use of the Section 6 (b) power, and in view of the Court here today being faced with this problem on a basis of first impression, I believe that this language might well indicate to the Court or assist the Court in its search for the solution to this legal proposition.

* * * * * * * *

[fol. 232] "Mr. Lamb: * * * the Commission has deemed the order for special reports as an order to be considered in its entirety. It required us to comply with it in its entirety. It refused any consideration or modification of any part of those orders.

"Now that's the basis upon which the plaintiff, the United States, at the request of the Commission has instituted this suit.

"Now therefore if there is any part of the order requiring us to file these special reports that is improper then we submit the whole must fall, and I can submit to your Honor there are many parts that are improper."

* * * * * * * *

[fol. 233] The Court: Suppose I were to adopt your view when you say, "Well, I hold that the Commission has authority"—not your view in that, but suppose I were to hold that the Commission had authority to issue an order requiring a report, but the order that they issued required more than a report; therefore their complaint must be dismissed.

(Mr. Lamb nods.)

The Court: Now would that mean? It would mean then that the Commission would have to proceed to issue another order. It would again delay matters. You would then on that second order have the right to administra-

tive review. If you were denied that, there would be another suit brought here.

Now doesn't common sense and efficient Government management dictate that if this order can be sustained in part it should be sustained in part with an opportunity given to your client to comply with such part as is valid, rather than to compel the Commission to come back and issue another order and again delay the process of their work?

• • • • • • •

[fol. 234] Mr. Suglia: Now, finally, your Honor, there is the question as to whether or not you could modify this order or otherwise. It is not our position here that you can or cannot modify the order. It is our position here that you can enforce this order in such manner as equity would dictate.

I believe this is as a practical matter an equitable proceeding, so that we feel that you are not limited, your Honor, by the modification principle of the order, but rather only by what you consider to be equitably the enforcement of that portion or those portions of this order which are reasonable, not oppressive, which are relevant and which have not been previously answered by materials either voluntarily submitted or submitted under the compulsion of the subpoena.

• • • • • • •

[fol. 235]

IN UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF NEW YORK

S. Hazard Gillespie, Jr., United States Attorney for the Southern District of New York, New York City, for plaintiff (William F. Suglia, Esq., Assistant U. S. Attorney, New York City; Daniel J. McCauley, Jr., Alan B. Hobbes, J. B. Truly, Esqs., Federal Trade Commission, Washington, D. C., of counsel.)

LeBouef, Lamb & Leiby, Esqs., New York City, for defendant (Horace R. Lamb, H. Richard Wachtel, Douglas W. Hawes, Esqs., New York City, of counsel).

OPINION—Entered April 21, 1960

Ryan, Chief Judge:

This suit arises under Sections 9 and 10 of the Federal Trade Commission Act. (15 USCA 49 and 50) Section 9 vests the District Court with jurisdiction to issue orders in the nature of mandamus commanding any person or corporation to comply with any order of the Commission made in pursuance of the Act. Section 10 gives any District Court of the United States, in which a corporation has its principal office or is doing business, jurisdiction of suits by the United States for the recovery of forfeitures, if the corporation shall fail to file any special report required by the Act within the time fixed for filing same and such failure shall continue for 30 days after notice of such default.

Defendant, St. Regis Paper Company, a New York corporation with its principal place of business in this District, was made the subject of a Federal Trade Commission resolution, dated January 6, 1959, which directed an in- [fol. 236] vestigation of the organization, business, conduct, practices and management of the defendant for the purpose of uncovering possible violations of Section 7 of the Clayton Act, as amended (15 USCA 18). Pursuant to this resolution and Section 6(a) and (b) of the F. T. C. Act (15 USCA 46(a) and (b)), the Commission issued orders to each of six corporations,[1] including defendant, requiring each to file a Special Report, containing specified data and documents, with the Commission, within 30 days after service of the order. The orders, with a copy of the January 6th resolution, were served according to statute. Since each of the other corporations served is wholly owned by defendant and since defendant was in possession of all the data and documents required, defendant was responsible for complying with the notice to file for all corporations served.

Defendant moved, before the Commission, to vacate the orders and for other appropriate relief. After first deny-

[1] The Corporations served, beside defendant, were Growers Container Corp., I. J. Kress Box Co., Inc., Pacific Waxed Paper Co., Pollock Paper Corp. and Rhinelander Paper Co.

ing this motion, the Commission, on March 5, 1959, permitted defendant to file a brief in opposition to their issuance. After consideration of the matter, the Commission denied the motion on May 6, 1959, and later denied defendant's motion for reconsideration.

On June 4, 1959, the Commission adopted a second resolution in which it asserted that it was "in the public interest to broaden its investigation" and on June 8, 1959, the Commission issued orders to defendant, Cupples-Hess Corp. and Northwest Door Co. requiring the filing of Special Reports. Since the latter two corporations were wholly [fol. 237] owned by defendant, it was again responsible for the filing of all reports. Some of the information ordered to be furnished has been filed but the Commission alleges that this was not sufficient and St. Regis refused to comply further.

Under the compulsion of the last three orders and under subpoena issued at an earlier date and not relevant here, defendant has supplied a large volume of data and documents. The Commission has supplied the Court with a stipulation of deficiency, which lists the items required by the order which, it is alleged, have not been supplied. Documentary evidence and stipulated facts were received by the Court at a trial without a jury, which was concluded on January 26, 1960.

In sum then, we are asked to enforce nine orders requiring Special Reports and to levy forfeitures of $100 a day, under Section 10 of the F. T. C. Act, on defendant corporation for the delay in complying with each of the two orders addressed to it personally. The forfeiture on the January 9, 1959, order is claimed to have run from July 20, 1959 and the forfeiture on the June 8, 1959 order is claimed to have run from August 23, 1959.

The purpose of the Commission's order was to determine whether the defendant, by its acquisitions of the stock or assets of other corporations, had violated Section 7 of the Clayton Act which prohibits the acquiring, in whole or in part, of the stock or assets of "one or more corporations engaged in commerce . . . where . . . the effect of such acquisition . . . may be substantially to lessen competition, or to tend to create a monopoly."

This is the first time a Section 6(b) order has ever been used by the Commission prior to the filing of a complaint. It is said that the use of the process of 6(b) has never before been necessary because of voluntary disclosures. [fol. 238] Since 1950 over 400 alleged violations of Section 7 have been investigated and because of the full or substantial compliance with the requests of the Commission on a voluntary basis, there has never been a need for the use of either an order under Section 6(b) or a subpoena under Section 9 of the F. T. C. Act. In the continuing investigation of defendant, however, the Commission has felt it necessary to use both types of process.

Defendant's principal contention is that the Commission has acted beyond its statutory power in the issuance of a 6(b) order in the circumstances of this case. It is claimed that 1) 6(b) was never intended to be used in the investigation of an alleged antitrust violation and 2) that, in any event, the special report was never meant to be used in a pre-complaint investigation and was never meant to elicit the detailed information required by the orders in suit. We cannot agree with either of defendant's contentions.

Section 6(b) is written in the broadest possible terms. We can find no words of limitation whatsoever and hold that 6(b) is not limited and can be used in antitrust investigations. The Commission concededly has power and certain duties in the antitrust field, including the investigation of alleged Section 7 violations, and we find nothing that would deny the use of the power conferred by Section 6(b) for any purpose within the scope of those duties. In fact, the Supreme Court has "found a good deal which would warrant our concluding that Section 6 was framed with the pre-existing anti-trust laws in mind." *United States* v. *Morton Salt Co.*, 338 U. S. 632, 649 (1950).

In its argument concerning the intention of the enacting Congress and the kind of reports contemplated, defendant [fol. 239] relies heavily on the legislative history of the Federal Trade Commission Act of 1914. Although making a very plausible and well documented argument, defendant overlooks the fact that the United States Supreme Court has already reviewed this legislative history and rejected almost the same argument.

In *United States* v. *Morton Salt Co., supra,* the Commission used a 6(b) order to require a compliance report under a cease and desist order. Morton Salt Co. argued that the legislative history of Section 6(b) showed that it was only intended to be used in requiring statistical and financial reports as had earlier been filed with the Bureau of Corporations. The Supreme Court rejected this interpretation. Defendant in the present case uses the same history to argue the same point although adding, in deference to the Morton Salt decision, compliance reports to the area of proper subject matter under 6(b). However, the words of the Supreme Court are much broader. It was held that 6(b) could be used in furtherance of any duty which the Act empowered the Commission to perform. The Act is "to be read as an integral whole" and 6(b) is just another broad grant of investigative power to be used as an alternative to the subpoena power of Section 9. We are bound by this liberal interpretation found in Morton Salt and cannot limit its holding to the narrow confines urged by defendant.

Simply because the Commission has not seen fit to use the 6(b) order previously in no way destroys or inhibits its power to do so for powers, if granted, are not lost by being allowed to lie dormant and the Supreme Court, in *Morton Salt,* said that this power granted to the Federal Trade Commission has not been forfeited by non-use.

[fol. 240] Defendant also argues that the Federal Trade Commission Act contains no provision for the judicial review of 6(b) orders and that defendant's only course is to incur the forfeitures and wait for the Commission to proceed in the District Court for the collection of the money. It is alleged that this violates due process. This argument has no merit. Mr. Justice Jackson suggested in *Morton Salt,* although the question was not before him for decision, that either the Declaratory Judgment Act or the Administrative Procedure Act might be used by a defendant to initiate judicial review of a 6(b) order. We feel that the Administrative Procedure Act (5 USCA 1009) supplied adequate review for an order of the type before us.

We therefore hold that the orders validly issued and proceed to a study of the subject matter of the orders themselves.

Defendant argues that the Commission has no right to copies of census reports and customers lists since these documents are privileged. We find no basis in law for sustaining this position. In fact, as to census reports, a summary glance at the cases cited by defendant reveals they do not hold or even remotely allude to the position St. Regis advocates. We believe that the analogy to income tax returns (original returns are privileged, copies in the hands of the taxpayers are not) used in *United States* v. *Continental Can Company* (Civil Action No. 112-387, See transcript page 67) is sound for our purpose and we hold that the copies are not privileged and should be supplied. [fol. 241] Defendant's motion to vacate the orders, its submission of briefs at the time the motion to vacate was heard by the Commission and its efforts to secure oral argument constituted not only an attempt to quash the orders entirely but also an attempt to modify the orders as issued. Therefore, we have in this suit "reasonable efforts before the Commission itself to obtain reasonable conditions", *United States* v. *Morton Salt*, *supra*, p. 653, which will enable the Court to consider the question of arbitrary excessiveness. The Supreme Court has supplied us with the test to be applied. The reports must relate to (1) an inquiry within the authority of the agency; (2) the demand must not be too indefinite; and (3) the information sought must be reasonably relevant. We hold that the Commission has the authority and that the information sought is relevant. We question, however, the definiteness of the demands.

Requests for information, contained in subpoenas or 6(b) orders, which require compliance under threat of penalties or forfeitures, must be drawn with certainty. When one is subject to a penalty or forfeiture for refusing to answer, what is demanded must be so crystal clear as to leave no room for confusion. This is a basic tenet of criminal law (statutory clarity as to what is forbidden or what is proscribed before punishment or penalty can be imposed) and we feel it is equally valid in the field of civil process which seeks to apply a penalty or enforce a forfeiture. (Cf. *Jordan* v. *DeGeorge*, 341 U. S. 223 (1951); *United States* v. *Ryan*, 128 F. Supp. 128, 350 U. S. 299).

Certainly the forfeiture of $100 a day for each order, present in this case, is sufficiently analogous to a criminal sanction. A reading of these orders reveals over two dozen [fol. 242] instances of vague and uncertain questions to which anyone would have trouble giving a definitive answer. A few examples will suffice to emphasize our point.

In the first order addressed to St. Regis, the Commission asks defendant to "describe any changes in the character and scope of Superior's operations since St. Regis acquired control of the company." We feel this is not a definitive question! What operations are the Federal Trade Commission interested in? Sales? Productions? Promotion? Personnel?

In the same order, the Commission asks for "all statistical summaries or reports prepared by a trade association, individual or firm" based on types of data mentioned earlier in the order. We think that this is too broad and indefinite to permit compliance and feel that this type of information may not even be within the knowledge of St. Regis.

In the second order to St. Regis (June 8, 1959), the Commission requires St. Regis to "Explain how the business and productive facilities of Northwest Door and Cupples-Hesse Corp. would be fitted into the operations of your company." This question speaks for itself.

These questions proceed upon the assumption that the Commission may require a defendant to investigate itself. We hold that it may not.

If the Commission is going to make use of this 6(b) process, it must realize from the outset that the utmost care in preparing these orders is a necessity. The character of the process itself requires that certain limits be placed upon the content of the orders to protect those to whom the orders are directed.

[fol. 243] When requiring statistical information under 6(b) orders, the Commission must be content with those statistics which are kept in the regular course of business or are readily available. Questions seeking opinions or delving into the subjective motives of third persons, examples of both appearing in the orders in suit, are no more proper under a 6(b) order than under the Section 9 subpoena.

We feel that Section 6(b), as read in conjunction with the whole act and in particular with Section 9, was designed as a means of convenience to both the business community and the Commission. This report procedure is an aid to the busy executive in that he is not required to spend his time away from his administrative and executive duties while attending hearings in person. We do not, however, think this report was designed to replace the searching examination which might be conducted if the executive were to attend in person under subpoena, especially in this case where defendant is required not only to answer to this searching examination but to interpret the purpose and meaning of the questions as well.

The orders in suit might have been drafted with more attention to the details and specifications of information sought. The path of least resistance should not be followed when drawing questions to be answered under compulsion of process. It should not be left to a busy, overburdened and undermanned Court to interpret and edit these demands. We have neither the staff nor the time to assume this burden.

Defendant urges that having found portions of the orders indefinite, we must strike down the entire set. From a [fol. 244] practical point of view, this seems silly since it would require the Commission to redraw and reissue the same orders. We believe that ordering partial compliance is a more practical method of dealing with these orders and feel that Section 6(c) of the Administrative Procedure Act, 5 USCA 1005(c), affords us ample legal authority to modify these orders. (Cf. *N. L. R. B.* v. *Anchor Rome Mills*, 197 F. 2nd 447; *F. C. C.* v. *Cohn*, 154 F. Supp. 899.)

In addition to the questions which we hold do not pass the test laid down by the Supreme Court, plaintiff admits that the orders in question also require information which has already been supplied. We need not decide whether this alone would have justified non-compliance, but make mention of it only because of the confusion which the issue caused.

The Commission's specification of default has been rigorously challenged by defendant. St. Regis in its answer to the specification takes great pains to point out the vast

amount of information it has supplied for which the Commission gives no credit. After reading the answer, we saw merit in defendant's contention and found it necessary to go over the entire situation and come to our own conclusions as to what was answered by defendant, making use of the material supplied by St. Regis in its answer.

We therefore order compliance with those portions of the orders which are enforceable and have not been answered. For the sake of clarity we will first list those questions which we find so indefinite as to be unenforceable and then, since it appears the shorter task, list all questions which are to be answered.

[fol. 245] Unenforceable Questions

Order #1—St. Regis—1h, 3j, 3k, 5j, 5k, 6j, 7j, 8j, 11.

Order #2—Growers Container—3c, 7, 8.

Order #3—Kress Box—3c, 7, 8.

Order #4—Pacific Waxed Paper—3c, 6, 7.

Order #5—Pollock Paper—3c, 6, 7.

Order #6—Rhinelander Paper—3c, 6.

Order #7—St. Regis—5.

Order #8—Cupples-Hesse—3c, 7.

Order #9—Northwest Door—3c, 7.

Questions to Be Answered

Order #1—1c, 1e, 1f, 1g, 1i; 2a, 2c; 3b, 3d, 3f, 3h(2), 3i; 5a, 5b, 5c, 5f, 5h, 5i; 6a, 6b, 6c, 6d, 6e, 6f, 6h, 6i; 7a through 7h; 8a, 8b, 8d, 8e(1), 8e(3), 8f, 8h, 8i; 9b; 10b.

Order #2—2b, 2d; 3a, 3b, 3d; 4b, 4c, 4d; 5b; 6a, 6b, 6c.

Order #3—2b, 2d; 3a, 3b, 3d; 5c, 5d, 5e; 6c(3).

Order #4—2b; 3a, 3b, 3d; 4a, 4b, 4c, 4d, 4e, 4f; 5b, 5c.

Order #5—2b, 2e; 3a, 3b, 3d; 4b(2), 4c, 4e; 5a, 5b, 5c, 5d. 5f.

Order #6—2b, 2c, 2d, 2e; 3a, 3b, 3d; 4b(2), 4c.

Order #7—1a, 1c; 2a, 2b; 3a, 3b, 3c; 4a, 4b.

Order #8—2b; 3a, 3b, 3d; 4b; 5b(4), 5b(5); 6a, 6b.

Order #9—1; 2a, 2b, 2c, 2d; 3a, 3b, 3d; 4a, 4c; 5a, 5b; 6.

[fol. 246] The Government also seeks a statutory forfeiture of $100 a day for each of two orders addressed personally to St. Regis Paper Co.

All nine orders were issued during a short period of time. (The January 6, 1959 orders were subject to motions to vacate until May 6, 1959.) They all related to the same investigation. In fact, the second order (June 8, 1959) recites that it is issued to "broaden its investigation" of defendant. In the final analysis, defendant was required to supply all the information. We feel that all of the orders requested information which made up one special report and what was being investigated was one "course of conduct" (Cf. *United States* v. *Universal C. I. T. Credit Corp.*, 344 U. S. 218 (1952)). Therefore, if forfeitures were to be exacted, only one hundred dollars a day in forfeiture would be granted. To require defendant to pay on more than one order in these circumstances would be duplicitous.

Since, however, we hold that the orders on which the Government bottoms its claim for forfeitures are partially defective and since we only enforce those portions of the orders which we find unobjectionable, defendant had a valid reason for challenging these orders as prepared. Therefore, we find the Government has no right to forfeitures under the circumstances.

Let a final order and judgment be settled on notice directing compliance in accordance with our conclusions and dismissing the claim for forfeitures upon the merits.

March 15, 1960.

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U. S. D. J.

[fol. 247]

IN UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF NEW YORK

JUDGMENT

The above-entitled action having come on for trial before me on the 25th day of January, 1960, and the trial having been continued through the 26th day of January, 1960, and the plaintiff having appeared by S. Hazard Gillespie, Jr., United States Attorney for the Southern District of New York (William F. Suglia, Assistant United States Attorney, and J. B. Truly, Attorney, Federal Trade Commission, of counsel), and defendant having appeared by LeBoeuf, Lamb & Leiby, Esqs. (Horace R. Lamb, H. Richard Wachtel and Douglas H. Hawes, Esqs., of counsel), and the respective parties by their attorneys having entered into a stipulation of all relevant and material facts, and said stipulation of facts having been admitted into evidence, and the Court having heard the arguments of counsel, and having considered the facts as stipulated and the arguments of counsel, and the Court having filed its opinion on the 16th day of March, 1960,

Now, on motion of S. Hazard Gillespie, Jr., attorney for plaintiff, it is

Ordered and adjudged that the defendant comply with and respond to, within 30 days of the entry of this judgment, questions 1c, 2a, 2c, 3b, 3d, 3f, 3h(2), 3i, 5a, 5b, 5c, 5f, 5h, 5i, 6a, 6b, 6c, 6d, 6e, 6f, 6h, 6i, 7a, 7b, 7c, 7d, 7e, 7f, 7g, 7h, 8a, 8b, 8d, 8e(1), 8e(3), 8f, 8h, 8i, 9b and 10b, set forth in Order No. 1 issued by the Federal Trade Commission on January 9, 1959; and it is

[fol. 248] Further ordered and adjudged that the defendant comply with and respond to, within 60 days of the entry of this judgment, questions 1e, 1f, 1g and 1i, set forth in the aforesaid Order No. 1 issued by the Federal Trade Commission on January 9, 1959; and it is

Further ordered and adjudged that the defendant comply with and respond to, within 30 days of the entry of this

judgment, questions 2b, 2d, 4b, 4c, 4d, 5b, 6a, 6b and 6c, set forth in Order No. 2 issued by the Federal Trade Commission on January 9, 1959; and it is

Further ordered and adjudged that the defendant comply with and respond to, within 60 days of the entry of this judgment, questions 3a, 3b and 3d, set forth in the aforesaid Order No. 2 issued by the Federal Trade Commission on January 9, 1959; and it is

Further ordered and adjudged that the defendant comply with and respond to, within 30 days of the entry of this judgment, questions 2b, 2d, 5c, 5d, 5e and 6c(3), set forth in Order No. 3 issued by the Federal Trade Commission on January 9, 1959; and it is

Further ordered and adjudged that the defendant comply with and respond to, within 60 days of the entry of this judgment, questions 3a, 3b and 3d, set forth in the aforesaid Order No. 3 issued by the Federal Trade Commission on January 9, 1959; and it is

Further ordered and adjudged that the defendant comply with and respond to, within 30 days of the entry of this judgment, questions 2b, 4a, 4b, 4c, 4d, 4e, 4f, 5b and 5c, [fol. 249] set forth in Order No. 4 issued by the Federal Trade Commission on January 9, 1959; and it is

Further ordered and adjudged that the defendant comply with and respond to, within 60 days of the entry of this judgment, questions 3a, 3b and 3d, set forth in the aforesaid Order No. 4 issued by the Federal Trade Commission on January 9, 1959; and it is

Further ordered and adjudged that the defendant comply with and respond to, within 30 days of the entry of this judgment, questions 2b, 2e, 4b(2), 4c, 4e, 5a, 5b, 5c, 5d and 5f, set forth in Order No. 5 issued by the Federal Trade Commission on January 9, 1959; and it is

Further ordered and adjudged that the defendant comply with and respond to, within 60 days of the entry of this judgment, questions 3a, 3b and 3d, set forth in the aforesaid Order No. 5 issued by the Federal Trade Commission on January 9, 1959; and it is

Further ordered and adjudged that the defendant comply with and respond to, within 30 days of the entry of this judgment, questions 2b, 2c, 2d, 2e, 4b(2) and 4c, set forth in Order No. 6 issued by the Federal Trade Commission on January 9, 1959; and it is

Further ordered and adjudged that the defendant comply with and respond to, within 60 days of the entry of this judgment, questions 3a, 3b and 3d, set forth in the aforesaid Order No. 6 issued by the Federal Trade Commission on January 9, 1959; and it is

[fol. 250] Further ordered and adjudged that the defendant comply with and respond to, within 30 days of the entry of this judgment, questions 1a, 1c, 3a, 3b, 3c, 4a and 4b, set forth in Order No. 7 issued by the Federal Trade Commission on June 8, 1959; and it is

Further ordered and adjudged that the defendant comply with and respond to, within 60 days of the entry of this judgment, questions 2a and 2b, set forth in the aforesaid Order No. 7 issued by the Federal Trade Commission on June 8, 1959; and it is

Further ordered and adjudged that the defendant comply with and respond to within 30 days of the entry of this judgment, questions 2b, 4b, 5b(4), 5b(5), 6a and 6b, set forth in Order No. 8 issued by the Federal Trade Commission on June 8, 1959; and it is

Further ordered and adjudged that the defendant comply with and respond to, within 60 days of the entry of this judgment, questions 3a, 3b and 3d, set forth in the aforesaid Order No. 8 issued by the Federal Trade Commission on June 8, 1959; and it is

Further ordered and adjudged that the defendant comply with and respond to, within 30 days of the entry of this judgment, questions 1, 2a, 2b, 2c, 2d, 4a, 4c, 5a, 5b and 6, set forth in Order No. 9 issued by the Federal Trade Commission on June 8, 1959; and it is

Further ordered and adjudged that the defendant comply with and respond to, within 60 days of the entry of this

judgment, questions 3a, 3b and 3d, set forth in the aforesaid [fol. 251] Order No. 9 issued by the Federal Trade Commission on June 8, 1959; and it is

Further ordered and adjudged that the cause of action alleged in Count Two of the Complaint be and the same hereby is dismissed with prejudice.

Dated: New York, N. Y., April 21, 1960

Sylvester J. Ryan, U. S. D. J.

Entered 4/21/60

Herbert A. Charlson, Clerk.

[fol. 252]

IN UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

Civ. No. 150-271

UNITED STATES OF AMERICA, Plaintiff,

v.

ST. REGIS PAPER COMPANY, Defendant.

DEFENDANT'S NOTICE OF APPEAL—Filed June 20, 1960

Notice is hereby given that St. Regis Paper Company, the defendant herein, hereby cross-appeals to the United States Court of Appeals for the Second Circuit, from all of the Judgment entered in this action on April 21, 1960, except so much thereof as orders and adjudges that the cause of action alleged in Count Two of the Complaint be dismissed with prejudice.

Dated: June 20, 1960.

LeBoeuf, Lamb & Leiby, Attorneys for Cross-Appellant, Office & P. O. Address, 15 Broad Street, New York 5, New York.

[fol. 253] To: Herbert A. Charlson, Esq., Clerk, United States District Court, Southern District of New York, United States Court House, Foley Square, New York 7, New York.

S. Hazard Gillespie, Jr., United States Attorney for the Southern District of New York, Attorney for Plaintiff-Appellant, Office and Post Office Address: United States Court House, Foley Square, New York 7, New York.

[fol. 254]

IN UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

Civ. No. 150-271

UNITED STATES OF AMERICA, Plaintiff,

v.

ST. REGIS PAPER COMPANY, Defendant.

PLAINTIFF'S NOTICE OF APPEAL—Filed June 20, 1960

Sirs:

Please take notice that the plaintiff, United States of America, hereby appeals to the United States Court of Appeals for the Second Circuit from that portion of a [fol. 255] final order in favor of the above named defendant and against the above named plaintiff, entered herein, in the Office of the Clerk of the United States District Court for the Southern District of New York, on April 21, 1960, dismissing the cause of action alleged in Count Two of the complaint, and from each and every part of said portion of the order both on questions of law and questions of fact.

Dated: New York, New York
June 20, 1960

Yours, etc.

S. Hazard Gillespie, Jr., United States Attorney for the Southern District of New York, Attorney for Plaintiff, Office & Post Office Address: United States Court House, Foley Square, New York 7, New York.

To: Herbert A. Charlson, Esq., Clerk, United States District Court, Southern District of New York, United States Court House, Foley Square, New York 7, New York.

LeBoeuf, Lamb & Leiby, Esqs., Attorneys for Plaintiff, 15 Broad Street, New York, New York.

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[fol. 256]

IN UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

No. 16—October Term, 1960

Argued September 30, 1960

Docket No. 26413

UNITED STATES OF AMERICA, Appellant,

—v.—

ST. REGIS PAPER CO., Appellee.

Before: Lumbard, Chief Judge, Tuttle* and Friendly, Circuit Judges.

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* Sitting by designation.

Cross-appeals from an order of the United States District Court for the Southern District of New York, Sylvester J. Ryan, *J.*, 181 F. Supp. 862, directing that respondent file special reports under §6(b) of the Federal Trade Commission Act, 15 U. S. C. §46(b), and dismissing claim for statutory penalties for default in filing reports.

Affirmed in part and reversed in part.

[fol. 257] Richard H. Stern, Washington, D. C. (Robert A. Bicks, Assistant Attorney General, Richard A. Solomon, Washington, D. C., S. Hazard Gillespie, Jr., United States Attorney, Southern District of New York, Daniel J. McCauley, Jr., General Counsel, Federal Trade Commission, Alan B. Hobbes, Assistant General Counsel, Federal Trade Commission, New York, N. Y., J. B. Truly, Attorney, Federal Trade Commission, Washington, D. C., on the brief), for appellant.

Horace R. Lamb, New York, N. Y. (H. Richard Wachtel, Douglas W. Hawes, LeBoeuf, Lamb & Leiby, New York, N. Y., on the brief), for appellee.

OPINION—Decided December 16, 1960

LUMBARD, *Chief Judge*:

These are appeals from a judgment of the United States District Court for the Southern District of New York, Ryan, *J.*, in which the court partially enforced nine orders issued by the Federal Trade Commission against the St. Regis Paper Company and seven of its subsidiary corporations directing that special reports be filed and dismissed a claim for statutory penalties brought by the United States against St. Regis. By resolution of January 6, 1959, the Federal Trade Commission instituted an investigation into the acquisition by St. Regis of the stock and/or assets of other corporations engaged in interstate commerce in order to determine whether §7 of the Clayton Act, 15 U. S. C. §18, had been violated. On January 9, 1959, the Commission issued orders to St. Regis in New York City and five of its

wholly-owned corporations located in various parts of the [fol. 258] country.[1] These orders allowed the addressees thirty days to respond in writing in a "special report" to questions posed by the Commission and demands for copies of agreements, correspondence, office memoranda, annual reports, schedules, minutes of meetings, accountants' reports, and statistical summaries. St. Regis' motion to vacate the resolution and orders was denied by the Commission on May 6, 1959, and compliance ordered by May 28. On June 4, 1959, the Commission resolved to broaden its investigation to cover the acquisition of two other corporations[2] by St. Regis. Orders dated June 8, 1959 allowed St. Regis and the two subsidiaries thirty days to file special reports similar in content to those requested by the earlier directives.

Upon deciding that the material submitted to it did not meet its demands, the Commission filed notices of default against St. Regis and its subsidiaries on June 18 and July 22. The United States then brought suit in the Southern District of New York under §9 of the Federal Trade Commission Act, 15 U. S. C. §49, asking that a mandatory injunction issue commanding the corporations to file the special reports as requested and that the statutory penalties provided for by §10 be assessed at the rate of $200 per day against St. Regis for its failure to respond to the two orders directed to it. The defendant's motion to strike the second demand on the ground that such relief would be unconstitutional was denied, 24 F. R. D. 366 (S. D. N. Y. 1959), and the case went to trial in the district court on both counts. Judge Ryan held that the Commission had the authority under §6(b) of the Federal Trade Commission [fol. 259] Act, 15 U. S. C. §46(b), to order special reports in connection with pre-complaint investigations of possible

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[1] Growers Container Corp. (Salinas, Calif.), F. J. Kress Box Co. (Pittsburgh, Penna.), Pacific Waxed Paper Co. (Seattle, Wash.), Pollock Paper Corp. (Dallas, Texas), Rhinelander Paper Co. (Rhinelander, Wis.).

[2] Cupples-Hesse Corp. (St. Louis, Mo.), Northwest Door Co. (Tacoma, Wash.).

violations of the Clayton Act, §7; that some of the questions posed by the Commission were so vague and uncertain as to be unenforceable; and that the statutory forfeiture could not be invoked to penalize non-compliance with orders which are partially defective. 181 F. Supp. 862 (S. D. N. Y. 1960). The judgment below therefore modified the terms of the original orders insofar as it directed the defendant and its subsidiaries to reply only to those questions held enforceable and dismissed the second count of the government's complaint. The United States appeals from the dismissal, and St. Regis cross-appeals from the part of the judgment granting injunctive relief.

I.

Were we to accept literally the language of §2 of the Expediting Act, 49 U. S. C. §45,[3] we would be required to dismiss these appeals although both parties urge us to hear them. That statute, as amended, provides in terms that in "every civil action" which the United States brings as a plaintiff in the district courts under the Sherman Act, Interstate Commerce Act, or "any other Acts having a like [fol. 260] purpose" thereafter enacted, appeals from final judgments are to "lie only to the Supreme Court." Both of the instant appeals are from a judgment entered in a civil suit instituted by the United States against various corporations under a statute which contains provisions similar

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[3] The relevant provisions of the statute as amended to date (56 Stat. 199, 62 Stat. 989) are as follows:

That in any civil action brought in any district court of the United States under the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies," approved July 2, 1890, "An Act to regulate commerce," approved February 4, 1887, or any other Acts having a like purpose that hereafter may be enacted, wherein the United States is plaintiff, the Attorney General may file with the clerk of such court a certificate that, in his opinion, the case is of general public importance • • •

Sec. 2. In every civil action brought in any district court of the United States under any of said Acts, wherein the United States is complainant, an appeal from the final judgment of the district court will lie only to the Supreme Court.

in purpose to those of the Sherman Act.[4] However, we have construed the language of the statute, which as a result of an amendment of 1948 (62 Stat. 989) relates to "every civil action" instead of to "every suit in equity," as including only suits akin to actions in equity. *United States* v. *New York, N. H. & H. R.R.*, 276 F. 2d 525, 543 (2d Cir. 1959). The statutory penalty sought by the United States in its appeal is, indeed, not at all similar to equitable relief. However, this fact alone is not decisive of the question before us. Since the heart of the issue being litigated is the scope of authority delegated to the Commission by Congress, the request for a forfeiture is but auxiliary to the demand for compliance. Thus, even if we were inclined to allow an appeal from one part of a judgment if an appeal from another part of the same judgment would properly lie only to the Supreme Court, we would not consider alone the appeal of the United States in this case. The unseverability of the issues to be decided requires that they all be determined in one action by the tribunal which is to pass on the basic question presented.

Nonetheless, we feel that a reasonable construction of the Expediting Act grants this court jurisdiction over appeals such as the one now before us. The writ of mandamus [fol. 261] authorized by §9 is, it is true, very much like a mandatory injunction, cf. *Miguel* v. *McCarl*, 291 U. S. 442, 452 (1934), particularly since it is addressed not to some public official or body but to a private corporation.[5] But it

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[4] Not only is any violation of the Sherman and Clayton Acts also a violation of §5 of the Federal Trade Commission Act, *Times-Picayune Publishing Co.* v. *United States*, 345 U. S. 594, 609 (1953), but the Federal Trade Commission is expressly authorized by §6 of the Act to investigate antitrust violations and by §7 to act as a "master in chancery" to report on the proper form of an antitrust decree. Moreover, §11 of the Clayton Act, 15 U. S. C. §21, authorizes the Commission to enforce compliance with §7 of the Act.

[5] In *United States* v. *Morton Salt Co.*, 80 F. Supp. 419 (N. D. Ill. 1948), aff'd, 174 F. 2d 703 (7th Cir. 1949), rev'd, 338 U. S. 632 (1950), discussed *infra*, the request sought by the Attorney General under §9 was framed not as a petition for mandamus but as a request for a mandatory injunction. See 80 F. Supp. at 425. The request in this case was similarly phrased.

would be unreasonable to hold that the type of relief sought here by the Commission or the kind of determination which is to be made on such petitions for mandamus were deemed important enough by Congress to require a clear path from the district court to the Supreme Court of the United States.

Under 15 U. S. C. §45 as it stood before being amended in 1938, 52 Stat. 111, the Federal Trade Commission, to make its order final, was required to bring enforcement proceedings in the Court of Appeals upon learning that the order had been violated, and until 1959 all cease-and-desist orders issued by administrative agencies pursuant to §11 of the Clayton Act, 15 U. S. C. §21, had to be enforced in the same way. See 73 Stat. 243 (1959). Appeals from cease-and-desist orders of the Commission under 15 U. S. C. §§21(g), 45(g) are still taken to the Court of Appeals. Thus, were we to hold that the mandamus provision of §9 brings actions for the enforcement of preliminary requests for information within §2 of the Expediting Act, we would be conceding greater significance to the early investigatory stages of a Clayton Act proceeding than to the final determination of the enforcing agency. Furthermore, it is only because the Federal Trade Commission Act delegates to the Attorney General, rather than to the Commission, the authority to seek mandamus for compliance with the Commission's orders that the conditions of the Expediting Act, [fol. 262] which requires that the United States be plaintiff, is met in this case. The analogue to this provision appeared, as well, in the Interstate Commerce Act of 1887, §20(9), now 49 U. S. C. §20(9). That §2 of the Expediting Act has not been interpreted to cover these mandamus suits is indicated by *United States* v. *Munson S.S. Line*, 33 F. 2d 211 (D. Md. 1929), aff'd, 37 F. 2d 681 (4th Cir. 1930), aff'd, 283 U. S. 43 (1931), in which a suit by the Attorney General under §20(9) was heard first in the district court, then appealed to the Circuit Court of Appeals for the Fourth Circuit, and finally heard on certiorari in the Supreme Court with no discussion whatsoever of the jurisdictional question. In light of the policy objectives of the Expediting Act, we conclude that these proceedings were not to be brought into the class of those entitled to accelerated review

merely because the Attorney General had the sole authority to seek their enforcement. Accordingly, we hold that these appeals are properly before this court.

II.

The information requested by the Commission was to be submitted in "special reports" pursuant to §6(b) of the Federal Trade Commission Act, 15 U. S. C. §46(b), which is set forth in the margin.* St. Regis contends that the [fol. 263] Commission's authority to require special reports under §6(b) does not extend to antitrust investigations but is limited to discovery of unfair competitive practices under §5 of the Act and violations of court or agency decrees entered under that section.

In *United States* v. *Morton Salt Co.*, 338 U. S. 632 (1950), the Supreme Court upheld a Commission order requiring corporations to file reports showing how they had complied with an earlier order of the Commission. The respondent corporation in that case contended that §6(b) could be used only in aid of the Commission's power to compile information for general economic surveys under §§6(a) and 6(f) and was independent of the enforcement procedures set forth in §5. The court rejected this contention and held that §6 could be used for "any purpose within the duties of

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* Sec. 6

"The Commission shall also have power * * * (b) To require, by general or special orders, corporations engaged in commerce, excepting banks and common carriers subject to the Act to regulate commerce, or any class of them, or any of them, respectively, to file with the commission in such form as the commission may prescribe annual or special, or both annual and special, reports or answers in writing to specific questions, furnishing to the commission such information as it may require as to the organization, business, conduct, practices, management, and relation to other corporations, partnerships, and individuals of the respective corporations filing such reports or answers in writing. Such reports and answers shall be made under oath, or otherwise, as the commission may prescribe, and shall be filed with the commission within such reasonable period as the commission may prescribe, unless additional time be granted in any case by the commission."

the Commission, including a §5 proceeding." 338 U. S. at 649. Since §5 "minimally • • • registers violations of the Clayton and Sherman Acts," *Times-Picayune Publishing Co.* v. *United States*, 345 U. S. 594, 609 (1953), the §6 powers are available to the Commission in precomplaint antitrust proceedings as well.

The respondents here maintain, however, that the statement in *Morton Salt*, insofar as it authorizes antitrust investigations, should be read as referring to §§6(c), (d), and (e) which explicitly delegate to the Federal Trade Commission the following duties: at the behest of the Attorney General to investigate compliance with antitrust decrees; upon the direction of the President or either House of Congress to investigate alleged violations of the antitrust acts; and upon application by the Attorney General to recommend readjustments in the business of any corpora- [fol. 264] tion alleged to be violating the antitrust acts. These investigations, when carried out by the use of the usual discovery tools provided for in §9, it is argued, constitute the limit of the Commission's authority with regard to the antitrust acts. The legislative history of the statute, as well as reasonable statutory construction, belie these contentions.

It is clear from the House and Senate reports that the purpose of §6 was to give the Commission the powers with respect to investigating and reporting on antitrust matters that were previously committed to the Bureau of Corporations in the Department of Commerce. In the form first passed by the House[7] §3 of the Act expressly transferred these functions, and §9 required corporations of a minimum size to furnish annual and special reports and such information, statements, and records relating to organization, financial condition, and relation to other corporations as the Commission would require. Section 16 then gave the Commission subpoena powers identical to those given to the Interstate Commerce Commission by the Act of 1887. The report accompanying the Committee draft of the bill, H. R. Rep. No. 533, 63d Cong., 2d Sess. (1914),

[7] H. R. 15613, 63d Cong., 2d Sess. (1914).

said that while the investigative powers which had been given to the Bureau of Corporations had been extensive, "there was a failure specifically to require the regular gathering of certain most important kinds of information through the medium of annual reports from industrial corporations engaged in interstate commerce." *Id.* at 2. The report requirement, together with a $100-a-day penalty for default, was therefore incorporated into the then §9. The Senate, in proposing an entirely new draft,[8] authorized the [fol. 265] Commission in its §3(b) to require corporations to furnish information and records concerning their business and their relations to other corporations and to produce for examination all papers relating to the commerce in which the corporations under inquiry were engaged. In addition, §3(c) authorized the Commission to require annual and special reports, and §8 gave it the investigative powers possessed by the Interstate Commerce Commission. These powers of investigation were said to be "not greatly in excess of those possessed and for years exercised by the Bureau of Corporations." S. Rep. No. 597, 63d Cong., 2d Sess. 12 (1914). Thus, both versions agreed in giving the Commission power to investigate by requiring annual and special reports as well as by ordering records to be produced.

In conference, however, these powers were merged into §§6(a) and 6(b), and the subpoena power was spelled out in §9.

The House conferees' report said:

> "The Bureau of Corporations is abolished, as in the House Bill, and its powers are conferred on the Commission. Instead of transferring them by reference to the original act creating the bureau, as in section 3 of the House Bill, they are explicitly set out in section 6, paragraph (a), of the bill as agreed to by the conferees. This has been done because the bill now gives to the Commission certain powers which so continuously and directly concern the business interests of the country that it is desirable to have the law show on its face its

[8] S. 1460, 63d Cong., 2d Sess. (1914).

exact extent and application." H. R. Rep. No. 1142, 63d Cong., 2d Sess. 18 (1914).

The report manifests quite clearly Congress' intent to have the Commission assume the powers of the Bureau of [fol. 266] Corporations and its expression of that intent in §§6(a) and 6(b).

Moreover, there is no indication in the statute that antitrust investigations are in any way distinguishable procedurally from investigations directed at uncovering violations of the unfair-competition aspect of §5. The detailed enumeration of duties in §§6(c), (d) and (e) neither expressly nor impliedly denies the Commission the power to proceed upon the request of the Attorney General, President, or Congress by use of the powers granted by §6(b); the inclusion of all these provisions within one section of the statute suggests the contrary. And if the Commission may investigate charges of antitrust violations filed by Congress or the President by directing that annual or special reports be filed, it would be anomalous to deny it the use of these same techniques when it is exercising its own obligation under §11 of the Clayton Act to police violations of §7. We therefore hold that the Commission is empowered under §6(b) to require reports with respect to investigations into possible violations of the antitrust laws.

No challenge has been made by the appellants to the scope of the Commission's order, so we do not now undertake to decide whether §6(b) and §9 provide alternative routes or whether only material which cannot be reached by the subpoena power of §9 may be demanded in a §6(b) order.

III.

Among other papers which the Commission directed be produced by St. Regis and its affiliates were copies of various schedules submitted to the Bureau of Census for the 1954 and 1958 Census of Manufactures, the 1955, 1956, and 1957 Surveys of Manufactures, and correspondence relating thereto. The respondents did not contend that copies were not available but maintained instead that ordering [fol. 267] their production violated the confidentiality pro-

vision of §9 of the Census Act, 13 U. S. C. §9.* However, the plain terms of that statute apply only to the Department of Commerce and do not bar any other federal agency from divulging such information if it comes from different sources or from demanding that a copy remaining in the respondent's files be produced. The purpose of the prohibition addressed to the Secretary of Commerce and his staff in the Census Act is served if they are denied the power to transmit submitted information to other governmental agencies or to individuals. But there is no reason to protect absolutely the underlying data or to insulate the source of the information from any further inquiry. The manufacturer is under no statutory obligation to hold a copy of his submitted schedule in his files; if he chooses in this way to keep a summary of information which is scattered throughout his records, the particular paper on which the data is collected is no more immune from ordinary discovery procedures than any other document in his possession. Although the Census Bureau printed across the bottom of the copy page, "Keep This Copy For Your Files," there was, in fact, no obligation on the respondents to do so. Clearly the Census Bureau's action cannot confer any immunity on such records through gratuitous suggestion. We agree with the district court that the protection afforded income tax returns under §6103 of the Internal Revenue Code of 1954 [fol. 268] presents a close analogy. The originals of such returns are confidential, but copies retained in the taxpayer's files are subject to subpoena. E.g., *United States* v. *O'Mara*, 122 F. Supp. 399 (D. D. C. 1954). We disagree

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* "Neither the Secretary, nor any other officer or employee of the Department of Commerce or bureau or agency thereof, may, except as provided in section 8 of this title—

"(1) use the information furnished under the provisions of this title for any purpose other than the statistical purposes for which it is supplied; or

"(2) make any publication whereby the data furnished by any particular establishment or individual under this title can be identified; or

"(3) permit any other than the sworn officers and employees of the Department or bureau or agency thereof to examine the individual reports."

with the Seventh Circuit's decision regarding this same issue in *FTC* v. *Dilger*, 276 F. 2d 739 (7 Cir. 1960), cert. denied, —— U. S. —— (1960).

IV.

We turn now to the question whether, under the circumstances, the statute required the district judge to assess a penalty of $100 against St. Regis for each day on which it was in default in filing the requested reports. The district court decided that although the Commission had the power to issue the orders, some of the questions propounded and requests made were too vague to be enforced. Finding authorization to modify enforcement of the orders in §6(c) of the Administrative Procedure Act, 5 U. S. C. §1005(c), Judge Ryan directed that only the enforceable questions be answered. Cf. *NLRB* v. *Anchor Rome Mills, Inc.*, 197 F. 2d 447 (5 Cir. 1952). He held, however, that the forfeiture provided in §10 of the Federal Trade Commission Act was "sufficiently analogous to a criminal sanction" to justify applying to it the requirements of clarity and certainty ordinarily demanded of criminal penalties. Since approximately twelve percent of the questions asked in all the orders were held to be vague and uncertain, the district judge refused to assess the $100-a-day penalties demanded by the United States.

The United States appeals only from the refusal to assess penalties and does not dispute Judge Ryan's decision that twenty-eight questions were too vague to be answered. Thus, the only question before us on the appeal of the United States is whether the district court committed error [fol. 269] in dismissing the government's claim for statutory penalties.

Were this a case involving a single oversight or an honest mistake in a good-faith attempt to comply with the Commission's order, the statute's absolute and imperative terms would not prevent us from assuming that it could not have been Congress' intent so severely to punish an innocent offender. *United States* v. *Northern Pac. Ry.*, 242 U. S. 190 (1916); see *Kerr S.S. Co.* v. *United States*, —— F. 2d —— (2 Cir. 1960). The facts before us, however, suggest no

such mitigating circumstances. The respondents cannot claim that theirs was merely an honest omission since they refused to accede to many of the Commission's requests for documents and information on the sole ground that the Commission had no authority to demand what was requested. That the respondent's recalcitrance was caused by a wrong guess on a disputed issue of law does not prevent it from being held to "lawful consequences attached to the refusal." *Life & Cas. Ins. Co.* v. *McCray*, 291 U. S. 566, 574 (1934); see *United States* v. *Clyde S.S. Co.*, 36 F. 2d 691 (2 Cir. 1929); *FTC* v. *Maynard Coal Co.*, 22 F. 2d 873 (D. C. Cir. 1927).

The respondents argue, however, that the reports demanded by the Commission in the present case consisted of questions directed at particular information, and that a comparison of §6(b) with §10 discloses that although the Commission is empowered to order the filing of "answers in writing to specific questions" as well as annual or special reports, it is only the failure to file reports which is penalized by §10. In support of this contention we are urged to consider the decision in *United States* v. *National Biscuit Co.*, 25 F. Supp. 329 (S. D. N. Y. 1938).

The information requested by the Commission is indeed much like that demanded in the *National Biscuit Co.* case, see 18 F. Supp. at 669-70, but it is by no means certain that [fol. 270] we would have agreed with the district court's disposition of that case had it been appealed. On the facts of this case we cannot say that the orders directed at St. Regis were requests for "answers to specific questions" rather than demands for reports. The line between the two is, by the nature of each, quite indistinct. Reports that are demanded by the Commission will necessarily be addressed towards more-or-less specific inquiries. A compliance report conveys details concerning activity undertaken pursuant to an order; an investigation report divulges facts concerning suspected violations. It would be totally unreasonable to withdraw from the Commission the coercive effect of the §10 penalty whenever it makes its wants known in detail but permit it to use the threat of a mounting forfeiture so long as it cloaks the foci of inquiry behind gen-

eral language. Although it is entirely reasonable to read the statute so as not to fine one who has failed only to respond to one or several specific interrogatories and to remit the Commission to a suit in mandamus for enforcement of such a request, when the quantity of interrogatories reaches the proportions of those in this case and the request is made pursuant to a full investigation of a respondent's course of conduct, the cumulative effect of all the questions is substantially that of a request for a report.

The respondents further urge that infliction of the penalty would violate the due process clause of the Fifth Amendment since they would be unable, under *FTC* v. *Claire Furnace Co.*, 274 U. S. 160 (1927), to test the validity of the order save by awaiting and defending the suit in mandamus, with penalties accumulating all the while. If judicial review were in fact limited to enforcement proceedings instituted by the Commission, and a daily forfeiture were collected for a failure to comply, the procedure might not meet the established standards of due process. Cf. [fol. 271] *Oklahoma Operating Co.* v. *Love*, 252 U. S. 331 (1920). However, the *Claire Furnace* case was decided before either the Declaratory Judgment Act of 1934, 48 Stat. 955, or the Administrative Procedure Act of 1946, 60 Stat. 237, was enacted. Mr. Justice Jackson, speaking for a unanimous Court in *United States* v. *Morton Salt Co.*, 338 U. S. 632, 654 (1950), intimated broadly that *Claire Furnace* should not stand in the way of declaratory relief or prompt review if that be necessary to rescue the penalty provision from attack under the Fifth Amendment. We hold that under the declaratory-judgment statute as it now stands, 28 U. S. C. §2201, a proceeding brought to test the validity of an administrative agency's demand for a special annual report, when daily penalties may be assessed for failure to comply with any valid request, amounts to a "case of actual controversy" and is within the jurisdiction of the United States district courts. The respondent bringing such an action would be effectively denied judicial review if he is permitted no forum in which to challenge the validity and scope of the agency's order; his injury, therefore, is immediate enough to warrant judicial intervention even if

the agency is not prepared to institute court proceedings to achieve compliance. Since the statute confers discretion on the courts to act when the injury is irremediable, *Public Service Commission* v. *Wycoff Co.*, 344 U. S. 237, 241 (1952); *Eccles* v. *Peoples Bank of Lakewood Village*, 333 U. S. 426, 434 (1948), and since the controversy between the parties is clear, and the potential injury to the respondent is evident, the exercise of equitable discretion is appropriate. Moreover, it is only if such a remedy is available that the forfeiture sanction can withstand attack on due process grounds.

We are also of the opinion that a remedy was available to St. Regis under §10(c) of the Administrative Procedure Act, 5 U. S. C. §1009(c). The investigatory order [fol. 272] authorized by §6(b) of the Federal Trade Commission Act may not satisfy the statutory definition of "order" in §2(d) of the Administrative Procedure Act, 5 U. S. C. §1001(d), since it may not be a "final disposition." However, the order amounts to a "sanction" under §2(f) since nonperformance of the Commission's demand entails a penalty of $100 a day, and the directive therefore constitutes "compulsory or restrictive action."

The availability of this relief also mitigates the dilemma which our decision here imposes upon district judges. Although modification of an agency's order under §6(c) of the Administrative Procedure Act results in the most efficient treatment of a partially void order, it carries with it the imposition of penalties for prior noncompliance. A district judge might believe that the assessment of a forfeiture would be unfair in light of the substantial defects in the agency's order, and might thus be encouraged merely to deny the petition for mandamus thereby forcing the agency to re-issue the valid portions of its order. Whether, as a result of §6(c) of the Administrative Procedure Act, such a total refusal may be sustained is a question which hinges on the construction of the word "subpoena" in the statute, and we do not decide it here. In view of the opportunity given to a respondent to attack an order requesting a special report by a declaratory-judgment proceeding, the exaction of the statutory penalties for noncompliance is fair

in any case in which the respondent awaits a mandamus action before contesting the agency's demands, and the order is held valid.

Finally, we agree with Judge Ryan's decision—which the United States has not disputed in its briefs—that only one course of conduct was being investigated and that the second order issued to St. Regis was merely supplementary to the first. Thus, only one penalty of $100 should be assessed for each day of noncompliance.

[fol. 273] The judgment below is, therefore, reversed insofar as it dismissed the demand for penalties under §10 of the Federal Trade Commission Act, and the case is remanded with instructions to enter judgment for the United States in the amount of $100 a day for each day on which St. Regis was in default of the first order requiring a special report.

FRIENDLY, *Circuit Judge* (concurring):

I join in Chief Judge Lumbard's disposition of the many issues in this case. But I see little basis and less occasion for the statement that the availability of methods for securing an early determination of the validity of a direction under §6(b) of the Federal Trade Commission Act, pursuant to statutes passed long afterwards, necessarily renders exaction of the statutory penalties "fair" in any case where the respondent has not chosen to use them. If he prefers to await suit and then succeeds in demonstrating such extensive invalidity that there is no longer an intelligible requirement for an "annual or special report," he is entitled to prevail. Per contra his utilization of the Declaratory Judgment Act or the Administrative Procedure Act will not avail him if he proves wrong, save, of course, for such periods as the direction has been stayed.

[fol. 274]

IN UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

Present: Hon. J. Edward Lumbard, Chief Judge, Hon. Elbert P. Tuttle, Hon. Henry J. Friendly, Circuit Judges.

UNITED STATES OF AMERICA, Plaintiff-Appellant,

v.

ST. REGIS PAPER COMPANY, Defendant-Appellant.

JUDGMENT—December 16, 1960

Appeal from the United States District Court for the Southern District of New York.

This cause came on to be heard on the transcript of record from the United States District Court for the Southern District of New York, and was argued by counsel.

On Consideration Whereof, it is now hereby ordered, adjudged, and decreed that the judgment of said District Court be and it hereby is reversed in so far as it dismissed the demand for penalties under §10 of the Federal Trade Commission Act, and that the action be and it hereby is remanded with instructions to enter judgment for the plaintiff-appellant, United States, in the amount of $100.00 a day for each day on which defendant-appellant, St. Regis Paper Company, was in default of the first order requiring a special report in accordance with the opinion of this court.

[fol. 275] [File endorsement omitted]

[fol. 276]

IN UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

No. 16—October Term, 1960

Docket No. 26413

UNITED STATES OF AMERICA, Appellant,

v.

ST. REGIS PAPER CO., Appellee.

Before Lumbard, Chief Judge, Tuttle and Friendly, Circuit Judges.

ALLOWANCE OF MOTION TO STAY ISSUANCE OF MANDATE —January 10, 1961

The mandate is stayed for a period of 30 days pending application to the Supreme Court of the United States for a writ of certiorari, and subject thereafter to the provisions of Rule 28 (c) (2) of this court; and provided further that should the Supreme Court limit any grant of certiorari to less than all of the issues presented, then the stay of mandate shall automatically dissolve with respect to the issues on which certiorari is not granted.

Elbert P. Tuttle (per H. J. F.), Henry J. Friendly.

10 January 1961

I concur, but I would also provide that the accumulation of penalties under §10 of the Federal Trade Commission Act be stayed for such period and to the extent that the mandate of this court is stayed.

J. Edward Lumbard, Chief Judge.

[fol. 276a] [File endorsement omitted]

[fol. 277]

IN UNITED STATES COURT OF APPEALS

SECOND CIRCUIT

Present: Hon. J. Edward Lumbard, Chief Judge, Hon. Elbert P. Tuttle, Hon. Henry J. Friendly, Circuit Judges.

UNITED STATES OF AMERICA, Plaintiff-Appellant,

v.

ST. REGIS PAPER COMPANY, Defendant-Appellee.

ORDER GRANTING MOTION TO STAY ISSUANCE OF MANDATE —January 10, 1961

A motion having been made herein by counsel for the appellee to stay the issuance of the mandate pending application for a writ of certiorari to the Supreme Court of the United States and for other and further relief,

Upon consideration thereof, it is

Ordered that the mandate be and it hereby is stayed for a period of thirty days pending application for a writ of certiorari to the Supreme Court of the United States pursuant to Rule 28 (c) (2) of this court.

Further ordered that should the Supreme Court limit any grant of certiorari to less than all the issues presented, then the stay of the mandate shall automatically dissolve with respect to the issues on which certiorari is not granted.

[fol. 277a] [File endorsement omitted]

[fol. 278]

SUPREME COURT OF THE UNITED STATES

No. 704, October Term, 1960

ST. REGIS PAPER COMPANY, Petitioner,

vs.

UNITED STATES.

ORDER ALLOWING CERTIORARI—March 27, 1961

The petition herein for a writ of certiorari to the United States Court of Appeals for the Second Circuit is granted limited to Questions 2, 3, 5, and 6 presented by the petition which read as follows:

"2. Does an order and judgment of the District Court under Section 6 (c) of the Administrative Procedure Act, modifying agency investigative process, carry with it liability for forfeitures for non-compliance with the original unmodified agency process?

"3. Did the orders of the Commission, purportedly issued pursuant to Section 6 (b) of the FTC Act, constitute a requirement that petitioner furnish 'answers in writing to specific questions', and not a requirement of a 'special report', so that the provisions of the third unnumbered paragraph of Section 10 of the FTC Act, providing for forfeitures in the sum of $100 per day for each day of failure to file a 'report', have no application?

"5. Are petitioner's retained file copies of confidential reports to the Bureau of Census for the Census of Manufactures subject to the investigative processes of the Commission?

"6. Does the investigative power asserted by the Commission under Section 6 (b) of the FTC Act, if not reviewable except at the risk of paying forfeitures accumulated at the rate of $100 per day throughout the period of non-compliance, including the period of judicial review,

deprive petitioner of its property without due process of law?"

[fol. 279] Since time will not permit a hearing and determination of these issues until our next Term, petitioner's motion pursuant to § 10 (d) of the Administrative Procedure Act, 60 Stat. 243, 5 U. S. C. (1958 ed.) § 1009 (d), is granted to the extent of tolling, as of the filing of its petition on February 7, 1961, and pending this Court's disposition of the writ of certiorari, the further running and accumulation of forfeitures under § 10 of the Federal Trade Commission Act, 38 Stat. 723, 15 U. S. C. (1958 ed.) § 50. Petitioner's liability for forfeitures accruing prior to February 7, 1961, is to abide the event of this litigation.

And it is further ordered that the duly certified copy of the transcript of the proceedings below which accompanied the petition shall be treated as though filed in response to such writ.